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CALL TO ORDER

[Time: 00:00:02]

Mayor Lane: Its February 28, 2017. We have a City Council work study session. Well it's a call to order and we'll start with a roll call please.

ROLL CALL

[Time: 00:00:13]

City Clerk Carolyn Jagger: Mayor Jim Lane.

Mayor Lane: Present.

City Clerk Carolyn Jagger: Vice Mayor Suzanne Klapp.

Vice Mayor Klapp: Here.

City Clerk Carolyn Jagger: Councilmembers Virginia Korte.

Councilmember Korte: Here.

City Clerk Carolyn Jagger: Kathy Littlefield.

Councilwoman Littlefield: Present.

City Clerk Carolyn Jagger: Linda Milhaven.

Councilwoman Milhaven: Here.

City Clerk Carolyn Jagger: Guy Phillips.

Councilman Phillips: Here.

City Clerk Carolyn Jagger: David Smith.

Councilman Smith: Present.

City Clerk Carolyn Jagger: City Manager Jim Thompson.

City Manager Jim Thompson: 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'S REPORT

Time: [00:00:37]

Mayor Lane: A little bit of a Mayor's report. I wanted to give note and give congratulations to Councilmember Virginia Korte who was the winner of the Human Rights Campaign individual quality award. She was presented the other night at their event, so congratulations for that.

And we have the Cactus League Hall of Fame proclamation. Whereas baseball is America's past time

and Scottsdale is steeped in sports history and culture and it's home to five major league teams including our San Francisco Giants, since the year 1984, and whereas some of the games' greatest players have trained here and call Scottsdale home and the Cactus League and the spring training baseball are significant parts of our economy and community.

We already have one rained out day which is a crisis kind of situation for our season.

I therefore, Jim Lane, Mayor of the city of Scottsdale, declare Cactus League Hall of Fame Week and invite residents and visitors to tour the Cactus League Hall of Fame, exhibited at the Civic Center Library and catch some Giants games at Scottsdale Stadium. Attend the triple play of great events on March 4th in downtown Scottsdale.

I think we have Charlie Vascellaro, with the baseball hall of fame, who is here. If you are here, please come forward.

Mayor Lane: So on to our normal business for this work study session and we'll start with just a little bit of an explanation, a work study provides a less formal setting for the Mayor and council to discuss specific topics at length with each other and with city staff, and the work study session is provided an opportunity for staff to receive direction from the council and for public to observe these discussions. There is no -- there are no decisions made and no action taken other than to give a consensus of opinion and we will sometimes have a motion and a vote to make sure that's clear in the way of guidance to staff.

We do have public comment period, but it is specifically to the items within this -- on this agenda. And so we have a total of 15 minutes that will be set aside at the beginning of each work study session for public comment. These are limited to the two items on the agenda. And I see we do have -- we have none. Okay. All right. Well, if you do have comments -- I'm not sure which time we cut that off, but there is a white card that is now over the city clerk's head, for any comments on either one of these two items and there's a yellow card if you would like to give us some thoughts on these two items that will be read by the councilmembers during the proceedings.

ITEM 1 – COUNCIL RULES AND BOARD AND COMMISSION MEMBERSHIP

[Time: 00:04:13]

Mayor Lane: So with that said, we have our first item of business, in this work study session is the council rules and board and commission membership. Our presenter here today is our illustrious city attorney, Mr. Bruce Washburn. Mr. Washburn, welcome.

City Attorney Bruce Washburn: Thank you, Mayor. Okay. First thing I find out this is not on. Is it on? Okay. Good. Apparently, I'm orally challenged because I couldn't hear myself.

This is our chance to take the review of the board and commission -- I'm sorry, of the council rules, the city clerk and I have committed that after each election and the new council is seated, we will bring

these back for any possible changes that councilmembers want to make. I will go through some changes that the city clerk and I are suggesting be made. And then we'll get to the questions and discussions part, however, any other change that the council wants to make, the agenda is broad enough that we can discuss anything about the rules that any councilmember might want to bring up.

Also, I'm going to discuss the possibility changes to these ordinance regarding board and commission membership. There's one issue I want to clarify and then one issue that was discussed in response to some questions raised by a citizen regarding people being reappointed after they have served for six years and then been offer for a year. And, again, I think anything along those lines is fair game under the agenda, as it exists.

So let me start out with the changes that the city clerk and I are proposing. The first one is to Rule 5.6 this is simply to memorialize what is already the council's practice of taking actual informal votes at work study sessions or -- and when it's been agendized for direction to staff, with the understanding that if you are -- if any informal vote that's taken like that is not a final legal action, it's a direction to staff, but the council can take a completely different approach at a later time when the matter actually comes back. No -- it's not a final legal action that's binding on the city or binding on the council. But this change would make it consistent with the current practice.

The electronic devices. The original rule, basically is designed so that electronic devices from the dais are not supposed to be used to communicate to or from members of the public but it was our sense that what the council really wants is the -- is not to be having people corresponding with members of public, but not to have the rule so limiting that they can't access information that's relevant to their deliberations. This is also brought forward in part because -- in response to the question that was raised which I was doing the ethics training regarding somewhat the council can consider when they are doing non-adjudicatory body, like on a review of a board of appeals when they are doing a zoning hearing. I said I would get back to you on that. This is my getting back to you.

The fact is that -- because I had said -- I'm sorry. Let me back up. I said we were having the discussion during the ethics rules presentation that I wanted to look into whether there was a requirement that, for example, for zoning matters, that whatever facts the council is relying upon has to be made part of the record so that the people involved in the process can be informed of all the facts that are being considered. The answer to that is no. It's not like a quasi-judicial proceeding. In fact, the councilmembers are free to do things and go out and view the lot themselves and form their own opinions. You do haven't to take everybody with you to see it. You can access information from the dais, that's relevant. I have think one councilmember -- I think it was Councilwoman Milhaven, when people were seeing, she liked to see how close they were to the property. All that is perfectly permissible.

So this rule is now written in such a way to make it plain that while councilmembers from the dais are not supposed to be corresponding with individuals, getting input that they can access information of any nature and not just information that is on the city's electronic network.

Mayor Lane: I think that's fine. Councilwoman.

[Time: 00:09:23]

Councilwoman Milhaven: So thank you for making that change. The second sentence that starts electronic devices should only be used for accessing information that is directly related to items used in the agenda during open and public meetings. I think that addresses the concerns, but what I don't -- I'm sort of in the less is more category. What's the risk of taking that -- that out? That sentence out? What is the risk if I looked up the baseball scores?

City Attorney Bruce Washburn: Um, the legal risk you are asking me?

Councilwoman Milhaven: I understand the concern about the discussion needs to be open and the public needs to hear the conversation and the deliberation, but I don't -- and so that not communicating among ourselves or with other members of the public during a meeting, I understand that, but this sentence goes beyond that, and I'm not clear what risk you are trying to protect us from.

City Attorney Bruce Washburn: Legally, I would say, which is, of course, my original perspective on everything. Legally I would say that there probably is not a risk, at least nothing that is immediately coming to mind when you are doing that. Really it's a question of what the council wants to have councilmembers doing, if they want to have a rule about, yeah, you should limit yourself to what we are discussing or if they are okay with people checking the baseball scores while you are up there.

Mayor Lane: How about games and stuff?

Councilwoman Milhaven: Mayor, if you want to play a game, far be it from me to stop you.

Mayor Lane: I understand councilwoman where you are coming from, but I -- at the same time, I -- I'm not sure that we -- this would be just somewhat of a discipline with regard to our protocol here in a meeting that, we may not want people to be doing other things. It's not necessarily a legal issue and so I'm not sure if it's necessary to treat it here but whether we were to sit down and say we don't really want -- I would rather not even get into this, I suppose.

Councilwoman Milhaven: I guess that's what I'm saying. Just delete the sentence. We're not going to monitor each other and what we are doing and what if I start daydreaming and I wasn't paying attention and we're down that slippery sloop do we want to go? I would say, let's delete that sentence.

Mayor Lane: First part, simplicity, I would go along with that as well. If you eliminate it, I don't see that we have exposed anything to it. Mr. Washburn, I don't. But we get into what we might be doing, that's a whole different area of things that I hope we don't need to get to. But we deal with the correspondence with others.

City Attorney Bruce Washburn: And the last sentence would remain in because it pertains to the executive sessions and that's a very different issue.

Mayor Lane: Oh, I'm sorry, you are saying --

City Attorney Bruce Washburn: The sentence that says during executive session, that stays in.

Mayor Lane: Okay. Yes.

City Attorney Bruce Washburn: So I'm open to direction here. I don't know if the majority of council wants that rule taken out or not.

Mayor Lane: Okay maybe we will go ahead and get some direction on this, after we have additional conversation on it.

[Time: 00:12:38]

Vice Mayor Klapp: Yes, I would agree with removing the second sentence and just emphasizing the first part of it, which is not communicating with outside parties.

Mayor Lane: Thank you.

Councilmember Korte: And I agree. I agree to remove that second sentence.

Mayor Lane: Okay. I like this new consensus, the thumbs up.

Councilman Smith: I agree also.

Mayor Lane: I'm sorry, Councilman Smith, did you want to say something on it?

Councilman Smith: No, I said I do agree with eliminating that sentence. I think it's -- I just agree with eliminating it. I think I would like to understand why are executive sessions different?

Mayor Lane: On this item, then do we have consensus that the removal of -- and it's clear?

City Attorney Bruce Washburn: All right. Fine.

Mayor Lane: Unless someone objects specifically, let's go ahead and have that removed. Okay. Go ahead.

City Attorney Bruce Washburn: I was going to answer the question on the executive session.

Mayor Lane: Yes, okay. Let's go to that.

City Attorney Bruce Washburn: It's basically, because you should not be communicating outside of executive session anything that's happening in the executive session. So I believe that was the

genesis for this rule. Basically, we are just to avoid any possibility of any claim that somebody was informed of something that was occurring in the executive session, just eliminate the use of electronic devices for communications outside of the executive session.

Councilman Smith: I guess I'm just wondering is that -- is that not also what we are saying in the first sentence that you don't use the electronic device to communicate with people?

City Attorney Bruce Washburn: First of all, don't use the electronic device to communicate with people. The second sentence -- I'm sorry, the executive session sentence says that you don't use the electronic device that could communicate with people. In other words, turn off your cell phone when you are in the executive session.

Councilman Smith: So you just use them, period?

City Attorney Bruce Washburn: You just don't use them. That's right.

Councilman Smith: Okay.

[off microphone comment]

Mayor Lane: We should probably have this conversation. It's a public conversation. Yes, councilman.

Councilman Phillips: And just because your last comment before the executive session thing, that was a direction to staff. That wasn't a vote to remove the sentence? Even though I'm fine with removing the sentence.

City Attorney Bruce Washburn: Yeah, the rules will come back with that sentence removed. Yes.

Mayor Lane: I'm sorry, councilman, was that a question as to whether you were for the removal? Yes. So it's unanimous. If you didn't object, then obviously that's the direction, yeah.

[Time: 00:15:28]

City Attorney Bruce Washburn: Okay. All right. The next rule on potion to continue, this is a -- this is basically a cleanup, because it refers to a main motion, and this is a leftover from Robert's Rules of Order under Robert's rules, there's no discussion occurs until a main motion has been made. Our practice is not to do that. We usually have discussion before a main motion is made. So -- and yeah, we might want to continue an item and frequently items are continued when there's no motion pending. So just to make this consistent with our practice, and to eliminate essentially an archaic reference, I took out the main motion requirement.

All right. Next one is on Rule 15.5. We're taking out the Mayor being a nonvoting ex officio member of council committees or subcommittees, because if the Mayor is not on the committee, and

then the Mayor shows up at a committee meeting as an ex officio nonvoting member, you now have four councilmembers and it's become a council meeting even though it's only agendized as a subcommittee meeting. Since it creates problems and doesn't solve problems we're taking out the ex officio membership.

[Time: 00:16:45]

Mayor Lane: It's actually an error. It should have never been on there in the first place and it changes to a council meeting from a subcommittee meeting.

What I would ask here, I would like to reinstate what was originally in ordinance on this, and that was that the Mayor would be an ex officio member of any board or commission he chose to attend. I think that's a useful tool in the past. It's been swapped out for this item which is nonsensical. I mean to try to be an ex-officio member on a standing subcommittee because it changes the entire quorum, if you will, as far as the council is concerned.

What I would suggest is that I think what was used in the past, and I have -- frankly, did I use this in the past, and it's a useful tool for the entire council for the Mayor to be able to sit in on any board or commission. Not as a voting member, but as an ex-officio member, and frankly, just to get a sense and a feel of where our boards and commissions are sometimes going and there's an added provision that I thought to do. If there is a sense of agreement that we could reinsert or reinstate that, which I would appreciate, I think it would be useful for all of us. Is that I could also appoint another councilmember to stand in in that position as well. So that's just a suggestion.

This has got to go. There's no doubt about it. But I think that the intent which was originally established many, many years ago, I would like to see reinstated. Any conversation or any thoughts about that? Yes, I'm sorry, Councilman Smith.

[Time: 00:18:38]

Councilman Smith: You are not setting up a voting privilege and you are not a -- a -- this would enable to you participate in the dialogue, maybe that's.

Mayor Lane: It goes to being a member of the audience to a sitting member without voting privileges and the board would handle it in the same way. Yes in Councilman Littlefield?

Councilwoman Littlefield: You could go to a commission or board meeting as an ex-officio member asking questions that perhaps would you like to have answers to or something during the meeting, during the board meeting, but you wouldn't be voting; is that correct?

Mayor Lane: Right. Exactly.

Councilwoman Littlefield: Okay.

Mayor Lane: Is there any -- yes, Councilwoman?

Councilmember Korte: I support that and I also support the ability to appoint another city councilmember in your stead if that is needed. And that would be a separate rule, though. It would not be incorporated in 15.5.

Mayor Lane: Well, what it would only be is if -- yes. If someone were to come to me and wanted to do that, yes, I would put them in in my stead. So I would -- I don't know that it's a separate rule, but it could be just an adjunct to this, to say -- and I don't know the wording on it, even as it was in the past. Well, we haven't used this provision in the past, that the Mayor could be -- would serve as -- I'm sorry, as an ex-officio, nonvoting ex-officio member of any board or commission of his choice, or could appoint another councilmember in his stead. In other words, in his or her stead. And therefore, that there would only be one position to be moving to that. In other words, it wouldn't be two any time. Yes?

[Time: 00:20:51]

Councilman Smith: So does this essentially expand the membership of a board or commission from its traditional seven to 7 plus one?

Mayor Lane: Not really, because of the voting. The only time that the number becomes imperative, I suppose, hopefully if you have a full complement of members, is on the voting side of it.

Councilman Smith: I think, if I sound hesitant about it, I mean, I'm not necessarily opposed to it conceptually, but I wonder whether it would have a chilling effect on the board or commission and what -- these have always -- with the exception of design review board, there are always boards and commissions comprised exclusively of citizens and not elected officials. I have just wonder if that -- whether we are changing the dynamic.

Mayor Lane: Well, it's not something that I think that, you know, will be an every day or every meeting kind of event, that's for sure. And the other is I do appreciate what you are saying because in my past use of it, there is that -- a little bit of that, and not so much a chilling, but sort of a turn to kind of thing. And so I'm not trying to suggest that myself or any other Mayor would necessarily be in to take it over, but just to be put on the equal plain rather than a member of the audience.

Yes, Councilwoman Klapp.

Vice Mayor Klapp: I would agree with that idea. It might need to be a separate rule other than the one that's here related to committee membership, but I think that in the past, when I attended a board and commission meeting, and I don't want to say I want to insert myself. There are times when you want to make a statement about something, or ask a question, but you really can't because you are not a member of it. So at least someone on this council would be able to go and have a discussion. It seems most appropriate that it would be the Mayor to do that.

So just thinking about my visitation to committees in the past, it makes sense that somebody from here would be able to go in and ask questions and be a little bit part of the conversation. Since we do appoint all of these boards and commissions, they report to us, we ought to have some way to enter into the conversation and have a comment or a question if we want as a body. So I think it makes sense to do it.

Mayor Lane: Is that a thumbs up or a --

[Time: 00:23:28]

Councilman Phillips: A question. Can you clarify with this ex officio member be sitting with the board and they can ask and answer questions like the rest of the board and just when it comes to the final vote, they can't vote?

City Attorney Bruce Washburn: Yes, that's my understanding of how this would work. If the ex officio member chooses to appear at the board, then they would sit -- they would basically sit with the board of commission and -- act with them but just not vote.

Councilman Phillips: Well, I'm sorry, I feel that whoever is watching is going to feel like, well, this is undue influence whenever there's something important that they are discussing. Let's throw in another one to influence the vote. He won't vote but you can steer the conversation a certain way or you can go along with certain people to try to get the vote that way. So, you know, then the vote does go that way, then people are going to say, see what they are doing? I don't think that's really a good idea in my opinion.

Mayor Lane: Interestingly stuff, when I have used this in the past -- and I have -- it's a relatively smooth and -- I appreciate what you are saying and I suppose in this day of suspicions about any of our desires here, the boards and commissions are appointed by us and they do work for us. And so from time to time there is an opportunity where we -- any one ever us, really, might want to sit in to be able to have an equal stance on it.

You know, whether it's chilling or influencing, that's what we maybe all do every day as far as this council is concerned. So that's our job is really to communicate as best as we can. We as elected officials are the first line on that, no matter who we might appoint.

So I don't -- I appreciate what you are saying, and I understand in the reality of it, there may be more influence but maybe there should be if it's a member of -- if it's a Mayor or a member of council that may be sitting ex officio but in a more official status than being a member of the audience. So in any case, that's -- I don't know if that responds to that specifically, but, yes. Councilwoman?

Councilmember Korte: I would just like to say that I was witness to a situation where the Mayor came in and what was happening was perhaps the commission was outside of the scope of their purpose. And for a Mayor or someone else to come in and right the ship, I think is very appropriate when a commission is outside of its scope of purpose and objective, and I witnessed that and, yes, I

think it's necessary. So certainly supportive of this.

Mayor Lane: Well, then is there a consensus, if I might ask for that? Thumbs up? Thumbs up? Thumbs up? All right. I think we have at least majority on that and then some wavering but in any case. So unless there's a major -- well, unless there's an odd number that I'm counting we are good with that.

But as a separate item, I suppose I will go with -- Mr. Washburn, as far as the separate item, this probably is more appropriate than to include it with this.

[Time: 00:27:00]

City Attorney Bruce Washburn: Yes. Next one, this is basically voting a work study session. This is the same change as the original -- as the rule that I had previously alluded to, just making clear what the practice is. Then on the next one, on Rule 11.3, this is the genesis of this is the question that arose at the last appointment of board and commission members, about what happens if a councilmember does not want to vote on a particular applicant or for a particular position and we did not really have a provision that addressed that.

So this is -- this is my suggestion on how to handle that. Basically that if a councilmember does not want to vote, they do not have to vote. They would just indicate basically that -- that councilmember did not indicate a choice for appointment, no vote will be recorded or they can say, you know, since they are going around -- often going around voting being they can say I choose not to vote. Any way, they communicate -- yeah, they communicate that they do not want to vote and there will be a record that they were there and chose not to vote.

If there's, for example, three candidates and they just only want to vote for two of them, they can register two votes and it will be noted that they registered two votes and not three and that way we get a record that they were, there not that they had left the dais and that's why they didn't vote, but that they were there and chose not to vote.

And also add a provision that makes it clear that it takes four votes to be appointed and that way if you choose not to vote, it has the effect of being a no vote for everybody whom did you not vote. Because it would still require four votes for somebody to be appointed. So assuming this is the way that the council wants us to work, they want people to be able to not vote for someone if they don't want to vote for someone or for anyone for a particular position, I think this is an effective way to do that and still accomplish the purpose of making a record that the person was there and chose not to vote and making it so that their vote -- so that -- for example, if they -- if they -- if one person refuses to vote and then it generates a 3-3 tie, that would basically mean the person would not be appointed.

That does raise the issue of -- there is a resolution that the council adopted sometime back on how to resolve 3-3 ties and board and commission appointments and then it's a lot like what we do for -- if there's voting for -- to replace a councilmember, where you try and get -- they are not to be a tie, but if there's still a tie, I think after a couple of rounds of voting, we draw a name out of the hat. This

would eliminate that because if you have a 3-3 tie, then nobody has four votes and you don't end up with somebody being appointed. So that would be a change -- this would affect a change to that practice.

[Time: 00:30:23]

Mayor Lane: Before we move on, yes, Councilwoman Korte first.

Councilmember Korte: Thank you, Mayor. So in formal actions, the council, we either vote aye or nay or formal actions. We cannot abstain in formal actions in council actions, right?

City Attorney Bruce Washburn: Yes.

Councilmember Korte: So why are we making an exception here?

City Attorney Bruce Washburn: It accommodates the fact this when you are voting on board and commission members, it's not done with ayes and nays. It's -- there's no provision right now for a no vote. You just say who it is that you are voting for and we didn't have anything in the rules or the ordinances that covered a no vote. This is a way basically of creating a no vote option.

Mayor Lane: Thank you. Councilman Smith.

Councilman Smith: The words used by the council, if we don't want to vote for someone and that's oftentimes not the case. It's not a matter of not wanting to vote for somebody, in some cases it's not knowing enough to vote, not having enough information. Maybe the applicant has not made it clear enough what his qualifications are. Maybe he hasn't come to address the council, maybe he hasn't met with us individually, maybe, maybe, maybe.

This situation arose in a recent meeting which is why we are discussing it here and in -- and I was the wanted who wanted to abstain or simply not vote for an individual. I didn't want to vote against him, because while I didn't know enough to vote for him, I also didn't know enough to vote against him.

And also, I think quite frankly, I would always find it uncomfortable to vote negatively about a fellow citizen's application to serve on the city board or commission. So I don't want to be put in the uncomfortable position of voting against a fellow citizen. But on the other hand, if I don't have a compelling reason to feel that he's -- he or she is qualified to serve, I don't want to imply that he is, in any opinion, qualified to serve. So I think it's important to have the opportunity to abstain in these board and commission appointments.

I also think it's a good addition to this, to add the last sentence that says, a person can only be appointed if they have an affirmative four votes. I somehow think a person should only be appointed if, in fact, they have a majority of council support in an affirmative sense. It should not be done as a drawing a name out of the hat. So I have an agreement with both of the changes that are suggested here.

[Time: 00:33:28]

Mayor Lane: Councilman Klapp.

Vice Mayor Klapp: I agree with the comments that were just made. To me this is a courtesy that we're allowing the council, that it -- we are not making a decision on the zoning action or some judicial -- not a judicial decision. This is a decision about people. So as a courtesy, if a person doesn't want to vote on a specific person, particularly if there's only one person on the list, it's more difficult. So I think it's just a rule that we add that's a courtesy to the rest of the councilmembers so that they don't have to take the action of voting against someone.

Mayor Lane: You know, I would think -- I would think that -- oh, is that a thumb or an ask to speak? He's getting quick on that thumb. Anyway, I would say I would agree with the way it is here, even though I see it as an exception.

I like the way that Councilwoman Klapp mentioned, it's somewhat of a courtesy or accommodation. Effectively, it is a no vote any way. It's just not uttering the words, but it effectively is exactly the same thing. I mean, a person is not qualified in someone's estimation, they feel that they are not going to vote for them.

The only thing that I'm concerned about is that maybe the complexity of it, and I hope I'm clean in it that we don't get ourselves between a rock and hard spot, where we all decide -- if we -- if we decide to not -- not to vote on a candidate, do we put ourselves in an awkward position of not getting appointments? If we make it easier to vote somebody no, by not voting, do we somehow create some other problem down here? And I know with your -- you know, your high caliber legal mind you have thought about all different scenarios that might occur here and maybe it's not as complex as I'm making it out to be. But are we in pretty good standing here to avoid some kind of odd ball situation happening?

City Attorney Bruce Washburn: Well, legally nobody has a right to be appointed to a board or commission, so however you want to do it. I think legally, it should work out fine. As a practical matter, you know, as you pointed out Mayor, I sat and tried to think through all the scenarios and after thinking through them all this seemed to me to work. You know, for example, if you had seven people applying for three positions, and you only wanted to vote for two of them, you don't want to sit there and say no to the other five. You just don't -- you only exercise two votes and not three and then that has the effect of saying no to the others.

So this is the easiest, and most effective way to register a no vote, while at the same time doing it in a courteous manner and when it turns out that I'm wrong and there's some incredibly complex situation that I haven't thought of, we will come back and fix it.

Mayor Lane: Okay. All right.

City Attorney Bruce Washburn: They are your rules.

Mayor Lane: Thank you, Mr. Washburn.

Vice Mayor Klapp: There has been a situation in the past, it wasn't an appointment. It was interviews and I can remember that we all voted against interviewing a candidate. A couple of years ago.

City Attorney Bruce Washburn: Yes.

Vice Mayor Klapp: So that did occur. So I don't know if we need to say something in this about interviewing candidates as well as appointing candidates. That was a very specific incident, but none of us interviewed -- wanted to interview the candidate. I'm not suggesting it has to be. Should we leave it at nominations or appointments. And nobody has ever challenged it. We just said I don't have any -- I don't recommend anyone, basically, the way it happened with some of the councilmembers.

City Attorney Bruce Washburn: Yes, but in that situation, my memory is that it goes around and each person says none. None or no further or none. So I think that already works.

Mayor Lane: Okay. So then now the thumbs S. there a consensus to take it as accepted? All right. Very good, thank you.

[Time: 00:38:05]

City Attorney Bruce Washburn: The next item I wanted to bring to your attention and, again this is rose from the -- some conversations we had regarding the last board and commission appointments, about what happens when somebody is appointed to -- has applied for more than one board or commission, and -- I mean this happens not infrequently. You know, people will apply for several -- you know because they want to serve and hopes that they will get one of them, well, what happens if they get two of them?

And the rule is that if you are on -- if you are appointed to one board or commission, then any other board or commissions, you automatically resign from that but you are resigned -- but your resignation is not effective until your replacement is appointed. So we don't end up basically having, you know, depopulated or, you know, boards with less than full membership just because somebody has got a -- has been appointed to another board. Now, the -- you know, the way that we have said in the past that this works is in whatever order they come up, you know, if you go for DRB and planning and DRB coming up first because "d" comes before "p" in the alphabet and then you are on DRB and if you get appointed on planning, you are off DRB as soon as your successor is appointed.

I don't know if council considers that to be a problem or you want to address it somehow. You note that I haven't come up on any brilliant solutions. I don't know if people consider that to be a problem but I want to bring forward that that's how it works and see if there's a desire to do anything about it.

Mayor Lane: Councilman Smith.

Councilman Smith: I have seen it be a problem in the sense that a person is resigning from a board, 22 minutes after they are appointed because simply because alphabetically, they were appointed to a board earlier. And then at the end of the evening, we find that we thought we had an appointment to this board but we lost it once the person was appointed to the second board. So we don't ever circle back to the existing candidates and try to fill that position again. I'm not suggesting we should, but it is somewhat awkward.

Let me -- I don't think it's a rule in procedure but I would ask collectively, is there some reason why we always go through these things alphabetically? I mean, planning always comes after DRB and parks and recreation always comes after -- and so on and so forth. So if it has nothing to do with this, you can tell me to move on.

City Attorney Bruce Washburn: I think I know the answer to that question, and the reason we do it in a certain order, we can tell the candidates, here, the meeting starts at this time and here's the order in which they will be presented so they know when they are -- you know, when their matter is going to come up, but you could shuffle the deck and have them done in a different order, but you will still run into eventually the same problem, you know, maybe they -- frankly, most people would probably rather be on planning than DRB, would be my guess. So they would probably just be -- just as happy having it go into that order.

I -- I thought about saying, okay, well, if somebody is on -- you know, resigns 22 minutes after they were appointed because they were appointed to a different one, to circle back to the original group of candidates but by then some of them would be left, so why will they sit there and watch that process. I'm not even sure if that would be an effective way to deal with it.

Mayor Lane: Councilman Phillips.

[Time: 00:42:02]

Councilman Phillips: Yes, from the way I saw it happening, I feel that when somebody gets appointed to a board, then they are done. They shun be applying for another one later on and then if they get two, they can pick and choose. It's not fair to the other people who lost the first one, like you were saying, because they decided not to do that one after all.

City Attorney Bruce Washburn: Yes, but, of course we don't let them pick or choose. We give them the second one and they are off the first one because they have been appointed to the second one and so now they are automatically resigned from first one. The people that wanted to be on the first one and now can't be and yet the vacancy is still there. They are out of luck.

Councilman Phillips: Maybe I'm saying we should do it and they get appointed to one and then they are done. One and done. And if that's not the one they wanted and hoping to get the other one,

well, you know, that's not the way it works. You should apply for the one that you want and hope you get it and not hedge your bet by applying for a bunch of them, just my thought.

Mayor Lane: Thank you. Councilwoman Korte.

Councilmember Korte: Perhaps the solution is restrict applicants to one board or commission at a given period, you know, during that time period. Just restrict -- you know, say, hey, you can only apply for one board or commission and then that would take care of the issue.

Mayor Lane: Thank you. I would agree with that. I think we have potentially a growing problem, if, in fact, somebody applies for all the boards and commissions. I mean, maybe take that to the extreme and suddenly we don't have a true accounting who have is participating in the system and frankly the complexity of they win the next one and the next one and they resign from the previous one and everybody else has gone home and they are getting letters in the mail and phone calls saying, hey, you were second choice and you are now in. Something along that line. I don't know. But we could be creating a bit of a problem.

My question was actually going to be, do we have any language that restricts it to how many you could apply for? And I'm presuming not.

City Attorney Bruce Washburn: No.

Mayor Lane: So it just so happens that certain people -- maybe or maybe not, consist with their interests have applied to more than one. Trying to go through a convoluted process where we don't really have a good feel for how many candidates we really have for the individual cases, that we just say we are it's not even a matter of preference. You apply for one. Yes, Councilwoman Klapp.

Vice Mayor Klapp: I would agree with that also. I believe that when an applicant is applying for a board or commission, they should make up their mind which one they want. It's too difficult for us to remember that they have got their name in three or four times and which one was on this list or that list.

I also do not believe we should shuffle these lists around for the benefit of an applicant because all that does is benefit one applicant but it may not benefit another applicant. So it's not a fair system to start changing the list to say we are going to do it in this order this time because you want this commission over the second commission.

So the best way to suggest is you can only apply for one. And pick the one you want and then we don't have to deal with the situation that we had last time where we had somebody interviewing for two different commissions because they insisted they wanted both of them.

Mayor Lane: Councilwoman Littlefield.

[Time: 00:45:35]

Councilwoman Littlefield: I agree with that also. I noticed this has become more and more common over the last year or two, that people apply for three or four different boards or commissions in the hope of getting one of them and I would really rather have applicants that are interested in the board or commission that they are making the application for. That that's the one that they really want so that we get people on the boards and commissions that are interested in that particular area.

Also the applications are on file for a year. So if they apply for a board or commission and don't get on the first time, they can take that application and apply for a different board or commission if they wish to for the next round, because their application will still be active. So it's not like they can't apply for any other commission or board, but it would just have to be in the next round. I think that's fair. I think we will probably get interested candidates in each particular board more than what we are getting now.

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

Councilman Smith: I withdraw my suggestion that we shuffle the deck because if we go with the solution that is suggested here, it does moot that. And I support the idea of having individuals apply for one position and one position only each time.

Mayor Lane: And, you know, one thing we probably want to say, I mean, not that it's absolutely necessary, but certainly people have been doing this, and it's only because it's allowed. I mean, so there's no -- we are not casting any dispersions of people that have chosen this round, it's just that this will make it a lot simpler.

City Attorney Bruce Washburn: Okay. Let me ask you this, what about nominations? Do you -- are you opposed to have people come in to be nominated for more than one board or commission and then see which ones they can be nominated for and then choosing which one they want to apply for at that point? You know, nominations only takes one person and it doesn't knock initial else out.

Mayor Lane: Yeah, but if I were just one small thought on that, because somebody is going to have to keep track of this. If they are up for a nomination on something else, that they are immediately removed from that. But it does -- you know, it does change the equation a little bit, even if we were to leave the nomination process the way it is, that you could go to several of them -- we are still talking about the same sorts of things. Sooner or later, you have to eliminate them from whatever else we are on. Councilwoman? Councilman Phillips?

[Time: 00:48:11]

Councilman Phillips: Well, the way I would see it would be if you nominate for two or three different things, that's fine that they get nominated but before they go before the council, they have to pick one of them.

Mayor Lane: Yes, yes, councilwoman?

Councilwoman Milhaven: As I understood it, the suggestion was that you could only apply for one. So if you only applied for one. You would only be in the pool for one and you could only be nominated for that.

City Attorney Bruce Washburn: That's right, that you can only apply for one. If you can only be appointed to one, then you can, in fact, apply for more than one and then determine which one it is that you want to --

Councilwoman Milhaven: But if we say the rule is apply for one, right? If the rule is that you can only apply for one, then you would only be in the pool for one.

Mayor Lane: You only show up on one nomination list.

Councilwoman Milhaven: Simplify this. That's what I thought you were suggesting.

Mayor Lane: Consensus on that then?

City Attorney Bruce Washburn: All right.

Mayor Lane: Okay. Good.

[Time: 00:49:10]

City Attorney Bruce Washburn: And then last, and this is the issue on whether the council wants to continue the practice of having a limit of six years on any board or commission and then you are off, or would the council like it to have people to be reappointed after some hiatus after they have served six years, a hiatus of a year or more, whatever the council might choose.

Mayor Lane: You know, if I were just to make a statement before we get some other questions on this, the reason this was instituted -- it wasn't that many years ago. And I think there's at least a few members that were on that council at that time when we made this decision. It was strictly to try to break the bottleneck of just people who were on boards on a continuing basis and to give opportunity for other members of the community to be able to become members of the council. The lifetime cap, I know we decided on that in the past.

I don't know whether that's a fair way to go, myself, and I think so what's being suggested is probably a good thing. But I just wanted to -- you know, I think what our thinking was at the time, I think it was solid thinking. We had just essentially exactly the same group moving from one year to the next, in each process. And, yes, you could have said no, we want you out. You know, what I mean. But courtesy didn't really allow us to do that, unless they had done something really dastardly, and that would have been a big change.

But in any case, I think looking at the process as it has been a good one, but I'm also -- I think I'm open

to at the very least some modification to it to consider experience on it. Yes? Councilman Smith?

Councilman Smith: I wasn't here and I -- but I do understand the dilemma of years ago and I think that's -- that's solved by a hiatus, as well as by the lifetime limitation we now have in place. So I would like to see us that they have to leave after six years but I don't know whether it's staying out for a year, whether it's just staying out for the next appointment process. In other words not standing immediately for reappointment. I don't think there's anything magical about a year but you need to break the service and I would recommend that it simply be not permitted to stand for reappointment in the next cycle or whatever words you put on it.

Mayor Lane: Okay thank you Councilman Smith. Councilwoman Milhaven.

Councilwoman Milhaven: Thank you, Mayor. And I was here when we put the rule in place, and it was how do we open up participation with a greater number of citizens.

I was thinking about this, maybe a middle ground -- because I do think that there are some boards and commissions where we don't have a lot of applications where folks have been on it and would like to stay on it, and we might be well served maybe a nice middle ground might be to say something like after a year's hiatus, could be reappointed with preference given to citizens who haven't already been given the opportunity. So we can codify to be as inclusive and as broad as we can in participation.

Mayor Lane: Yeah, I was going to say, that sounds a little -- like it might --

Councilwoman Milhaven: It's really more directional. It's not going to be a hard and fast rule but if you say, you know, you may be reappointed with the hope that consideration would be given to citizens who have not yet served. So it's just directional. It certainly wouldn't be binding, but it would codify our intent for broad participation.

[Time: 00:52:58]

Mayor Lane: Now, if I might just -- just because if we are looking for some common source on this are we talking about three two-year terms, six years and then a break or are we talking about something else in your particular scenario?

Councilwoman Milhaven: I don't know whether we say two or three-year terms or six years all together. I don't know that I have a strong feeling either way.

Mayor Lane: Okay. Right now, it's three two-year terms.

Councilmember Korte: Mayor, I think it's important that we stipulate a specific hiatus so whether that's one year or two years, I think a specific period of time is important rather than just roll over into the next cycle. So I would like your suggestion, Councilwoman Milhaven. I don't know if there's a procedure, a manual for boards and commissions, maybe our city clerk, you know that we would insert something like that, so that it's -- it's clarified for individuals looking to re-up after six years. And isn't

it three years? The maximum is two consecutive terms and they are three years each.

City Attorney Bruce Washburn: It's three-year terms.

Mayor Lane: Is that what is being proposed?

Councilmember Korte: No, that's what exists.

Mayor Lane: Oh, it's two three-year terms?

Councilmember Korte: Yes. Yes. Carolyn?

City Clerk Carolyn Jagger: Actually, it's a total of six years. So there's a maximum of six years and, of course, if somebody's term expires or they have gone the full six years and another appointment has not been made yet, they get to serve until the appointment is made but it's a total of six years.

It's important here to point out that this rule is not a council rule. It's actually in city code. So the more specific we can be about how this is going to be applied, it's going to be helpful and absolutely, we can use some of the language that Councilwoman Milhaven proposed in the documents and the things we put online and the applications so that people understand how that works. So we can do a combination of both. But I do think a specific term would be helpful if we're going to amend the code to provide for -- or make a change to this limit.

Mayor Lane: Yes, we don't want to be wrestling with interpretations down the road. So the clearer we can be on it, the better as far as that goes. What has been proposed to us here? Is this just the total of six years?

City Attorney Bruce Washburn: Well, the --

Mayor Lane: Oh, this is the way it is right now.

City Attorney Bruce Washburn: The citizen who made the request that it be considered, suggested a one year hiatus and then eligibility for reappointment.

Mayor Lane: After two three-year terms.

City Attorney Bruce Washburn: After six years have been served, yes.

Mayor Lane: Okay. Councilwoman Littlefield.

[Time: 00:56:19]

Councilwoman Littlefield: I'm a little concerned about having an open ended time frame basically because I -- I really believe that the city is better off if we have a wide variety of people, citizens on the

boards and commissions. We get more diverse viewpoints, input, experiences coming on to our commissions and our boards and I don't want to see the boards and commissions becoming a place where people retire and spend the next 20 years. You know? And so that's a major concern for me.

I think that would be very limiting for what we would be able to get out of our boards and commissions from the people that would be on it. So I -- I don't believe in a total, you know, however many years you want to show up and be on there, that's fine. I do think that if we have a total of six years, then take one term off. And then you can apply for an additional six years and then that's it. Do something like that. So that when you come back, you then are applying and running against an incumbent so that you have to tell us why you would be better than the people that are currently on or what additional input that you would have that you can add to the board.

Because I think it's really important that we give not only -- that we get not only a wide variety of input, but we allow a large number of citizens to be active and participate on these boards and commissions, because they want to, and they wanted to become involved in our city and in the growth and the development of our city and I think that's to Scottsdale's good. I think that makes it stronger.

So that's what I would not want to see is just -- yeah, after three months or six months you can come back again and do it again and again, and again. I would really not want to do that. Maybe after -- after term, a three-year term, they can go back for another three years or another six years and then that's it. I think there should be a limitation, just like there is for councilmembers for the same reason.

Mayor Lane: Thank you, Councilwoman. Yes, Councilman Smith?

Councilman Smith: Just to clarify, I don't think there is any limit on the councilmembers' service. I mean, you can serve three terms, take a day off, serve three more terms and take a day off, serve three more terms and till death do us part.

One thing that we have witnessed around and haven't talked about, the code now says once a total of six years of service is reached, and I think if we modified this in some way, like we are talking about, we will want to talk about once a total of six consecutive years have been served. I can visualize a situation where somebody might serve one term, be off for a while and come back and serve another term and then are they forced to leave? So I think to -- I favor the request that was -- or the suggestion that was made that individuals be able to come back and serve after some waiting period and if one year is what it is, so be it.

But I do think as a matter of language correction, we have to say, now we are talking about once you have served a total of six consecutive years. I'm not concerned about it having a chilling effect on other people being appointed. I think, in fact, having the people sit out for a year allows new individuals to come on to the commission. They see no opening and to incumbent being reappointed and they see an opportunity to serve. And then when the incumbent comes back a year later, he will be running, if you will, against a tenured member of the board. So I think it would be a good change and I recommend it. Or support it.

[Time: 01:00:21]

Mayor Lane: If I might, Councilman Smith. Just so I have a sense of -- that package you just described, is it the two three-year terms and then a departure of --

Councilman Smith: Well, I would simply say that once a total of six consecutive years, if that's two three-year terms, back to back, whatever, but once you have done a total of six consecutive years of service on the same board, you are not eligible for reappointment on the same board or commission, until one year after the date of your --

Mayor Lane: All right. So six years and then one year you can come back, but no -- not necessarily any cap on that.

Councilman Smith: No, I do not see any reason for a cap. The council can obviously exercise a cap and the appointments if that's necessary.

Mayor Lane: Thank you, Councilman. Councilman Korte.

Councilmember Korte: I can -- I agree with the one-year hiatus. Just trying to bring consensus.

Vice Mayor Klapp: Well, I do think there should be a cap. If they are gone for a year and they come back and serve for another three-year term, I think that ought to be sufficient for -- I mean, right now it's six years. So if we extend to you go off for a year and you can come back for an additional three-year term that ought to be the limit I believe what Councilwoman Littlefield said is true, that we -- you know, every time we go through these interviews, we have so many people that want to be on these boards and commissions.

Yes, there are a couple that we don't get a lot of applicants for but for the most part, we have a lot of people who really want to be on and they are waiting for the next opening and they will reapply or they leave their application in. So for those people, I want to make sure that we create opportunities for them and that we don't set up a situation where we leave the same person on a board or commission for -- in this case, for six years.

I would be willing to say one year off and three years on and then you are done because I believe that we still should have a cap on the amount of service that a person gives to one board or commission. They can serve other boards and many of them do this. And most of people that I have talked to have not complained about the fact that they have to go to another board or commission and serve. In fact, they said they really enjoyed making the change.

So in order to open up the opportunity for more people to be involved in boards and commissions, I believe we need to -- we can change this a bit, give them three more years with a one-year hiatus, I'm okay with, that but I wouldn't want to push it any further than that. I think nine years ought to be sufficient for a person to serve on any one board and we have 24 boards or something like that. So

lots of other boards they could serve on that we could use people and we should not be making one board very special for a person we need to be making all the boards open and special for everybody. So that there's -- there's an opportunity to be on boards and commissions and we don't have to turn so many people away. We are turning a lot of people away, that are really good people.

Mayor Lane: Thank you, Councilwoman. Councilwoman Milhaven.

[Time: 01:03:45]

Councilwoman Milhaven: I agree with Councilwoman Littlefield and Councilwoman Klapp. What if we said something like unless or until he or she sits out for one year and then may be appointed to serve an additional three years not to exceed a total of nine years?

Mayor Lane: I think that language is good, if I might just -- but I would ask for one thing and this really goes for a little bit of having a sufficient break to really have an opportunity -- to provide an opportunity for some new folks to get in. I don't mean to drag this out but a two-year separation might be more effective than just a one-year. And then, of course, we need to establish two years from the -- the last cycle, yes, that they --

Councilwoman Milhaven: That's agreeable to me.

Vice Mayor Klapp: That's fine with me too.

Councilmember Korte: That's agreeable.

Councilman Smith: Then tell me why you suggested two years.

Mayor Lane: Well, only because one year -- you know, in the actual application of these things, people get engaged -- you know sort of inbred into the system very thoroughly and they become the natural alternative. One year brings them back as a near incumbent. I'm trying to create a little bit more of an opportunity window in that and still with the cap.

Councilman Smith: Well, we are probably nuancing this. I was more comfortable with a one-year hiatus, and I suppose if I was going to have them sit out for two years and they really wanted to come back and serve, they had a keen interest and we had an interest in appointing them, I wouldn't then limit their service to three years. If they are going to sit out for two years and come back, I would let them go for another six. So that's my thoughts.

Mayor Lane: Councilman Phillips.

Councilman Phillips: Well, it's kind of a tough one. You know, you look at some powerful boards and commissions like DRB and planning and airport. You don't want somebody on there for a long time that's going to kind of run the show, so to speak but then we have the lesser boards that we don't get people applying to and if someone wants to apply that to that all the time, let's let 'em!

So it's kind of hard to stop them from doing that but at the same time, you don't want somebody to become too powerful on board. I think Councilwoman Klapp's idea is the best. You get your six years, and you can do it again but you have to think about going somewhere else.

And then you brought up the two-year thing. One year, yeah, that's -- that you are trying to beat out. Two years, you will probably go, I'm not going to do it again. So if we are trying to discourage it, that's the way to go.

Mayor Lane: It's not so much trying to discourage. It might, but it does provide that separation so that other new people into the -- can enter into it without bumping up against. It goes a little bit to what Councilwoman Milhaven was talking about giving preferential treatment. That would be a natural. One year goes by with that, and I'm more comfortable with the two year, in any case.

[Time: 01:07:18]

Vice Mayor Klapp: Another thought I had about the two years is that, you have to look at the way these positions open up. And so it would make it more likely that we can let somebody else in on that board within the two-year period, because there might not be an opening within a year. So I think that it would make far more sense to have a two-year hiatus and then you can come back and apply and you might have to wait a while longer, even before a position is open, because they are three-year terms and they are usually staggered. That would mean it would be best to have a two-year period in between the terms rather than one-year, just by virtue of the fact that there's a lot of people on the waiting list, wanting to come back and re-interview for the position and you are kind of opening up that position now for the person who has been on there before, saying, well, I have been on here before and I have all of this great experience. So these people who are waiting never get there. And so I feel for all of those people we don't put on the boards and commissions.

Councilman Phillips: Since you are looking at me, I like the way we have it now but if we are going to open the door, then let's do it that way. That's fine with me.

Vice Mayor Klapp: That's my position too. I would rather stay where we are now, but I'm willing to compromise and say, let's do this way with a two-year hiatus and a one more three-year term.

Councilwoman Milhaven: I'm okay with leaving it the way it is.

Vice Mayor Klapp: I would be okay with leaving the way it is too.

Mayor Lane: The way it is right now? Is that then the consensus?

Councilman Phillips: The way that it is now.

Vice Mayor Klapp: Yeah.

Councilman Phillips: So I guess that's another choice.

Vice Mayor Klapp: And that would be my preference.

Councilmember Korte: And I'm fine with leaving it too.

Councilman Smith: And I have been out voted.

Mayor Lane: This is a great conversation. Actually, I --

Vice Mayor Klapp: We're all trying to be nice to each other tonight.

Mayor Lane: That's nice. It's a nice trend. I like it. We can keep this up. In fact, if we are going for kumbaya, I can go along with it too.

No, I -- I was thinking -- and I do believe that there's some response to the idea of, you know, a permanent cap on it, and I guess that was one thing, particularly when we think about the boards that have some desire to make sure we have folks who have the background, the capability, the experience, and that being safeguarded too, to a degree. And so that they have an opportunity to come back. Not necessary to retire but nevertheless to come back.

But if the consensus is to leave it as it is, so is that -- is the consensus -- I mean, let me just -- by a show of hands is the consensus to leave it as it is? Well --

Councilman Phillips: May I throw a monkey wrench in this? The other thing is the six-year limit on DRB planning and airport and no limit on the rest. We could do a hybrid too. Because really, that's kind of what it comes down to. Because I hate to limit the ones that we have trouble getting people on.

Vice Mayor Klapp: I think, though, that diminishes the importance of other boards and we are making them sound like those are the only important boards to us and the rest are fluff, and I don't like that idea too.

Mayor Lane: The other thing is people can move to -- I realize there are levels of interests and they can move to other boards and commissions and there are interested people within the community that you are not absolutely I've got to be on this board for six years, plus another three or whatever like that. So I think even sort of stopping and maybe providing an opening does allow people to rethink and maybe they want to look at something else too. They are not necessarily an incumbent moving into it but they have an opportunity to look into something else.

I don't know that -- I appreciate the monkey wrench, but I don't know that I would go for that one. For me, it's either the six years, two years off, and then another three years or we leave it as it is. That's -- that would be my preference. Leave it as is. That's the guidance.

[Time: 01:11:51]

Councilwoman Milhaven: I will drag this on a little longer.

Mayor Lane: Well, we know you can do that. We thought it was settled but --

Councilwoman Milhaven: There's just a couple of other things I want to bring up for conversation with the council. Just for clarification.

Mayor Lane: Not on this issue?

Councilwoman Milhaven: It's still on the rules and procedures but not on anything that the city has brought forward. On voting and motions, 11.1. It reads that in part, a majority of the members of the council constitutes a quorum. And it should take a majority vote of all members of council to enact and then it goes on to elaborate. And I guess this came up in another setting, where it could be this reads as if it would all require four votes for the council to take action.

So in an instance where -- right, so if five people show up, it constitutes a quorum, the way this reads it would take four out of the five to do any business, rather than a majority of those present, which would mean three votes would allow the council to conduct business. And so I just want to make -- draw that out for the council's consideration.

Mayor Lane: I think we have a response from Mr. Washburn.

City Attorney Bruce Washburn: Ordinances resolutions and motions, the charter requires that it be the majority of the council. Four votes.

Councilwoman Milhaven: Oh, so the -- the charter says four votes?

City Attorney Bruce Washburn: Yes.

Councilwoman Milhaven: So we don't really need it here? So anyway, okay.

And then the other was I have noticed with boards and commissions, that there's times when we are appointing three people at a time and I would imagine that that could be disruptive to a board or commission and wanted to suggest for discussion whether or not when someone resigns before their board is up whether or not we want to appoint people for the remaining terms so we continue to stagger the number of new members on an existing board or commission and in particular where this comes to me is you know DRB or planning, you wind up getting three people that are learning the ropes, may not, you know -- may not be as knowledgeable or assert themselves in the same way and so does it make sense to have three new members once or does it make sense to appoint someone to finish an unfinished term and allow them to earn their own terms after that? And then they -- yeah.

Mayor Lane: Yes, councilwoman.

Councilwoman Littlefield: Would the unfinished term that they are appointed to, would that count as their six years or would that be in addition?

Councilwoman Milhaven: We would probably have to change the rules.

City Attorney Bruce Washburn: Well, on that point, we always count it as at least six years because the fact that people hold over until their replacement is appointed oftentimes means the three-year term runs I don't know three years. Yeah, I'm sorry, the three-year term runs I don't know three years and so we look at it once they have six years in, it's six years plus whatever is left on their existing term. Including the time to reappoint.

[Time: 01:15:07]

Mayor Lane: Okay. One question I suppose if, in fact, we were going to appoint, appoint from where? Open applications?

Councilwoman Milhaven: Well, like, for example if somebody resigns their seat, if somebody goes on for a year and they resign their seat, the new appointment starts a three-year term at the time of that appointment and so what I'm suggesting is -- I don't know if I feel strongly one way or another, I'm throwing it out for consideration. If someone resigns after a year and someone gets appointed that they finish out that term so they would only get two years at that appointment to finish out that term, and then they could apply for their own term in the future. So that you would be changing the length of the terms that people get appointed for, when there was a resignation before the term was up.

Mayor Lane: Would they then be under that scenario, then would they be limited to five years?

Councilwoman Milhaven: Or we would have to revisit that. I would probably say, you know, the unexpired term, plus two of their own terms.

Mayor Lane: Hmm.

Councilwoman Milhaven: And I may be making an issue when there isn't one. I'm just throwing that out.

Mayor Lane: Do we have an official staggering of the appointments right now, I mean when we officially appoint?

City Attorney Bruce Washburn: Yes, yes, the board and commission appointments are staggered, yes.

Mayor Lane: Okay. I should probably know this just from the standpoint of practice, but is it twice a year?

City Attorney Bruce Washburn: I -- you mean, how often do we do appointments for the different

boards and commissions? We do appointments as there are vacancies.

Mayor Lane: So there is not any official staggering?

City Attorney Bruce Washburn: Yeah.

Mayor Lane: Yes.

Councilman Smith: I think to follow up on your point of we have twice a year that we appoint people, but their terms are not staggered by ordinance or anything else. I mean, if all six members decided one day to resign and we had to appoint six new members, at the present time, they would all be appointed for three-year terms with the same expiration date and I think that's what Councilwoman Milhaven is trying to avoid and I agree with that.

And there's really nothing wrong with saying what she has suggested and that is we should be appointing people to either a full-term starting on the night that they are appointing or if they happen to be appointed for a sub person of an unexpired term for somebody who left for one reason or another, then appoint them to that. In doing that, we would end up with what you are hoping and what I suppose we are hoping we would have, and that is a staggered expiration of terms.

Councilwoman Milhaven: Right.

Councilman Smith: And not doing it -- doing it the way we are doing it, we do not end one staggered expiration of terms. I support that. I don't even think the six-year thing is a problem. Because, in fact, if they are appointing a -- or serving a two-year stub period, then they go for appointed three years on their own. That's only five and this rule doesn't apply and then they will get appointed again. They might be an individual would will serve a total of eight years in that sense but that's fine.

It's --

Mayor Lane: Well, then that's something we would have to address.

Councilwoman Milhaven: Pardon me. It says after six years you are not eligible for reappointment. So at five year you are eligible but eight you are not.

Councilman Smith: And that's my point. And they can serve eight years, they just wouldn't be eligible for reappointment.

Mayor Lane: Councilwoman Korte?

Councilmember Korte: So do we have a problem? I mean, we were talking about what ifs, what if we, you know, six commissioners resigned at the same time and then we would have a problem. But practically, realistically, do we have a problem today with unstaggered terms?

Councilwoman Milhaven: Well, last time we had a commission that had three openings. Didn't we?

Mayor Lane: Yeah. We did.

Councilmember Korte: Out of seven members. I'm just -- my concern is that it becomes so complicated to track, and to keep track of, to manage that if we really don't have a problem, I'm reluctant to support that.

Mayor Lane: Okay. Thank you, Councilwoman. Councilman Phillips?

[Time: 01:19:41]

Councilman Phillips: So Councilwoman Milhaven, let me understand if somebody is on a board for two years and then they resign and then do we wait until the next board or commission meeting to put somebody in their place?

Councilwoman Milhaven: No, I'm saying at their next regular appointments, nomination and appointment process, we would nominate and then appoint someone to finish their unexpired term.

Councilman Phillips: Right. That's what I just said. Wouldn't that person's three-year term start then?

Councilwoman Milhaven: That's the way we do today.

Councilman Phillips: Oh, I see because you still end up with the same thing. No, you wouldn't because he had a two-year term and he left and you started the -- the middle of a two-year term or whatever, you already staggered it at that point.

Councilwoman Milhaven: But today, for example -- I can't remember which position it was we had three openings on the same commission. If all of those people finished their term, then we will have three openings and then would you have three new people all at once.

Councilman Phillips: I understand that but only if somebody resigns early.

Councilwoman Milhaven: Right.

Councilman Phillips: So if somebody resigns early and the new person comes on, that piece when they start their three-year term, they will already be staggered because there will be another year longer than the other two, had they resigned it would have been at the same time too. The only way it would have been three years is if the guy got -- took the job and resigned right away and then you took it and then would you have three years. If he was in it for two years and resigned and a new person came in, their three years won't be for three years later. So you are already staggered from the other two. Your term wouldn't be over in a year.

Councilwoman Milhaven: That's what I'm suggesting is that your term would be over. Would you have one year -- you would be assigned to a one-year term and then you would be allowed to do --

Councilman Phillips: But if your term is over, you won't be staggering. Then would you have three people to start and one resigns in two years and then that person gets on and he's only good for two years and then all three of them are off again.

Councilwoman Milhaven: Uh-uh.

Councilman Phillips: No?

Councilwoman Milhaven: No.

Councilman Phillips: Explain how.

Councilwoman Milhaven: So -- all right. So in the example with the three vacancies we would have to look and see -- do we need to stagger all of these seats and we would say this one seat will be for three years and one seat will be for two years and one seat would be for one year so that they would be staggered terms. Then if any of them resigned, before their term was up, then you would just appoint someone to finish to that end of that term.

Councilman Phillips: That sounds pretty complicated to me, when we are already in the process. So what I'm saying is since we are already in the process, if somebody does resign, then the next board or commission meeting, somebody starts -- takes that guy's place, it doesn't matter if he's been there two years or three years or one and a half years, whoever takes his place, they start their three year term.

Councilwoman Milhaven: That's how it is today.

Councilman Phillips: I think that's fine.

Mayor Lane: Councilman Smith.

Councilman Smith: I think to the question, were he addressing a problem or amusing ourselves. The problem that can arise if you take Councilwoman Milhaven's situation of the appointments we made the other night, assuming those three individuals that were appointed to that commission, assuming they served that term, this same time three years from now, we will have three vacancies on that commission. What is the problem?

The only problem is that we lost some continuity of skill set if almost after the commission walks off the same night. It's keeping the staggered terms. It's a bit like what we do for council. If somebody leaves council for one reason or another, and someone is elected, they are appointed to serve that remaining term. So it is the continuity on the commission that we are looking to -- that's the problem that we are trying to solve, if there's a problem.

[Time: 01:23:48]

Vice Mayor Klapp: Mayor could we ask the attorney to explain to us how this works because I think we are getting each other confused. My feeling is, pretty much I agreed with Councilmember Korte that I think we are making this way too complicated for something that we don't really have a problem.

So tell me again if three people leave, do they all start again at the same time?

City Attorney Bruce Washburn: Yes, yes, they would. If you think about it, if you have seven member commission, and you have three-year terms if you were staggering them, you would have two people serve a one-year term, two people serve a two-year term and three people serve a three-year term so you would be appointing three people at the same time, if you -- you know, if you did a regular staggered terms anyway. And my -- I could be wrong about this, but most elected bodies are -- you know, most bodies that serve for a term, I should say, when you start the body out, you start out with them staggered and, you know this council is staggered out that way, if you go back and look at the charter. And I think that our boards and commissions probably did start that way, but you are right.

Since we have -- since we don't appoint people to fill out terms we have gotten off the staggering -- the staggering has gotten off but as a practical matter, they still end being staggered. While on a rare occasion we will have three members of a seven member body. I don't remember having four that we had to appoint. It's essentially the same as if you were doing the regular staggered terms. But we could do the other. I mean, you can track.

You know, the other point I wanted to make was that, in fact, for councilmembers, it depends -- if you look tremendous charter, it depends when it is that the council seat becomes vacant. If it becomes vacant and I can't remember how it works. If becomes vacant fairly close to an election, then someone is appointed to serve until that -- until that term is finished out, but if it's -- if it becomes vacant close to an election but not close to the time that that person would have been reelected and you elect somebody to the council.

Anyway, it's done a variety of different ways. We can do it either way, we can track them and have people fill out the remainder of somebody's term or leave it the way it is and have them staggered but in a not very -- you know, maybe haphazard is an unkind term but staggered in a haphazard way but in a practical matter they end up being staggered.

Mayor Lane: There are two problems. One as Councilwoman Korte, there's some complexity and I don't know if we are addressing a problem or just making it complicated. If we start out staggered and then we have people filling out terms, it would be just like here on council, in a staggered situation, frequently have three members of council that are going off and potentially replaced with three new members at any given point in time. It's just the price we pay.

I'm not sure that we don't really sort of diversify the timing on terms for members of any board or commission, by just saying, somebody resigns, you replace with another three-year cycle, and just go

from there. And then whether that three-year cycle, that one person may be up or out. So I would tend to just leave it the way it is, and without the complication.

Vice Mayor Klapp: And so would I based on the explanation, I would rather leave it the way it is, I think we are trying to complicate something that is not that complicated.

Mayor Lane: Is there a consensus on that? Okay. There you go. Nice idea. Yeah certainly.

Any other -- I think that completes what we have been presented with. Are there any other comments from the council on this? Thank you very much, Mr. Washburn.

ITEM 2 – ORGANIZATION STRATEGIC PLAN

[Time: 01:28:08]

Mayor Lane: Okay. Our next item is the organization of the strategic plan and the presenters are Brent Stockwell, our assistant city manager and he's brought support.

Assistant City Manager Brent Stockwell: Thank you Mayor and members of City Council. What we are here to do tonight is give you an update those items that the council has identified as the top priorities for the city. You originally did this in 2013 and we brought these back for you annually. The last time we actually sat down and had a conversation about these items, in particular, was in February of 2015. So when you last adopted these priorities in September, we told you we would come back after the appointment of a new city manager and run through those items.

So what we will do tonight, we will just hopefully quickly and briefly give you updates on each one of these priority areas and give you an opportunity to ask any questions and given any direction that you have about the strategies that we are adopting to implement those priorities or different strategies we may take. And so we are going to go through here in succession and go through each one of these priorities one at a time and first up is the revitalized McDowell Road corridor. Erin Perreault is going to take on that one.

PNT Manager Erin Perreault: We will do a quick update on revitalize McDowell Road which is the first goal on the strategic plan. Just a reminder, what you are seeing on the slides, the strategic plan was adopted in 2013 and last updated last fall. We took numbers back to 2011 specifically because council had an initiative ongoing in the McDowell road corridor, prior to the strategic plan. Most notably in October of 2010, council adopted the southern Scottsdale character area plan which actually had land use changes in the commercial areas and we are seeing a lot of that development happen now and that's why we are tracking from 2011 forward for you. Just a reminder, that when we say McDowell Road corridor, it's everything within the city limits south of Osborn. So it's not just those properties along McDowell Road.

In terms of some of the benchmarks that we are showing you this evening, first is housing property values, and both for single family and other types of housing, such as townhomes and condos, since

2011, those values have doubled in the area. And we're seeing that they are almost back to the pre-recession values that we saw in 2006 for the area.

In terms of demand for new housing, there's been quite a bit of it in this area of the community. Since 2011, we have seen 1300 units be built to date, and we have seen rental rates increase 42% since 2011 as well. We do know that the folks that are either renting or owning or purchasing one of the condo-type options in the area, they are doing it as a lifestyle choice. So it's not really an economic choice because they could afford a mortgage in this area. They like the lifestyle and the amenities in some of these residential communities. So they are choosing that lifestyle.

With regard to just what is under construction or already constructed and occupied at this time, we certainly have a mix of both owner occupied and for lease in the area and you can see that and they are not all along McDowell road but throughout the area itself. With regard to new housing, we did an informal survey, some of my staff called some of the occupied units that are out there, both from a rental and an owner standpoint, and we do know from a renter side, that they are mostly millennials at this point that are making \$50,000 or more. They are doing a 12-month lease and, again, it's a lifestyle choice for them.

Some of the perks for being in these residential communities are that they are close to either their office. They like the community amenities that are there, they also like the on-site amenities. The property managers also told us that's the same for those who are buying either the condo or townhome type of product as. With they like the south Scottsdale location because it's basically central in the valley. So that location is an appeal. The high finishes and the construction that's happening in these residential communities are also an appeal, and then the open space in south Scottsdale from a community amenity, we're being told by these property managers are also an attraction for those people that are either renting or buying in the area.

Next we have development activity. In terms of development activity, we have certainly seen an increase about 36% since 2011. And you can see a large portion of the new construction, the valuation of that is t28000000 in commercial development and then you can see multi family is at 11 million and single family at about 1 million. Council did adopt the McDowell Road corridor permit fee reduction program and you can see what those numbers are. Most of that have gone to the residential improvements in the area, in terms of those who are using that fee reduction program since 2015.

And this just gives a development activity snapshot. So between SkySong has invested since 2011 about 108 million, the Mark Taylor product that was one of the first housing to go into the area was valued from a permit standpoint at 71 million, and then we've had some smaller in-fill developments so 77 on the park was approximately 4 million in value, and then the single family housing development at a smaller scale was approximately 1 million in value.

In terms of business activity outlook, we have seen an increase since 2011 by 27% for business licenses themselves.

And then looking at office occupancy, and square footage price, we have certainly seen an increase both in office and retail, more so in office, but in large part because of SkySong. But that increase, the overall occupancy for office right now in the area is approximately 96% and retail is about 94% overall. And you can see the largest portion of new construction is, of course, buildings three and four at SkySong.

Councilman Phillips: Mayor?

Mayor Lane: Yes, sorry.

[Time: 01:35:07]

Councilman Phillips: Do you know occupancy rate for the new multifamily and the townhomes.

PNT Manager Erin Perreault: We did. Los Aquas was one of the first. They said they were 100% occupied at the time. This have not only the millennial and the empty nester type of experience and they also have seasonal visitors who found it's economical for them to rent an apartment for the full year term and use it and come and go as they wish and they are seeing that as well. So I don't have a full survey of them.

Councilman Phillips: That's the one you know.

PNT Manager Erin Perreault: That's the one that gave us the most occupancy information. We can certainly try to get more for you.

Moving on, SkySong gave us some information back to 2008, because that's been a longer term city effort and partnership with A.S.U. You can certainly see the economic impact of that. Right now, they currently have a little over 70 companies on site and 1500 employees at SkySong as well. Direct public investment, things that this council has approved is totaling 102 million since 2011 for the area with 50 more coming online. That's already been approved from the area, again, south of Osborn.

And then you also will be considering almost 7 million more for the area in the budget packages that are coming forward to you. Public art investments since 2011 is a little over half a million. And we have seen a lot more public art investment and installation in this area than we did prior to 2011 about 70% more than prior to 2011.

And then finally, for code enforcement activity, good news is it's on the decline in terms of what the violations that we have, in particular, the complaint base, those are the ones where the residents are calling and complaining. That's down by 41% for the McDowell road corridor area. And graffiti was one of the most popular complaints that we would get in the area. That's down by 70% since 2011. And you can see also McDowell road corridor used to be almost 50% of the citywide code violations and that's come down to almost a third. So it used to be at a half.

That concludes my presentation. Hopefully it gives you a good idea of what's happening in the area

and if there's other information would you like, we would be happy to collect that for you as well.

Mayor Lane: Thank you. I appreciate that very much. Are there any questions? Councilman Smith.

[Time: 01:37:48]

Councilman Smith: You mentioned the housing prices and how they have doubled since 2011, you said -- I think you said they are almost back to where they were in 2008. Do you have a frame of reference for how much of this is just what happened in the general economy versus -- I think what we are hearing is that this area is recovering more rapidly than the valley, other parts of town, the country as a whole. I don't know. You talk.

PNT Manager Erin Perreault: We know that the housing prices are recovering to -- they are within 3% of what they were prerecession. So back to that 2006 year. We did a single family housing study and a multifamily housing study, I believe the council has, but I can pull those numbers back. I didn't bring them tonight but I can pull them back out for and hopefully that will answer your questions. I will send them around.

Councilman Smith: My sense is a lot of housing prices are back to where they were in 2008, but I think you were trying to say that we have -- these have even exceeded national or regional expectations -- not expectations but performance nationally and regionally. If you have some frame of reference that says these went up 101% and we would have expected absent anything, they would have gone up 75%, picking up a number, I don't know what the answer would have been.

PNT Manager Erin Perreault: Typically we have been comparing citywide and then regionally. So I don't -- those reports that I referenced don't have that national number, but we can certainly get you the comparison to citywide and regionally.

Councilman Smith: Anything that puts it in perspective. The second question, you indicated you had done some interviews with I guess at least one apartment complex, Los Aquas down there. Do you in your research, do you ever talk to them about the renters and what are their demographics? Do they work inside the city or outside, or do they work at all? What demographics do you have other than the fact that I think you said they are mostly millennials and mostly earning \$50,000 or more.

PNT Manager Erin Perreault: We didn't do a formal survey. We did just a phone survey of them, and what I do know is that about 60% are either renting or choosing to purchase in this area or coming from within Scottsdale. So somewhere else in Scottsdale, not from a work standpoint but from a living standpoint and about 40% of ones that we talked to said that about 40% of their renter or owner is outside -- coming from outside of Scottsdale right now. Of course, a lot are under construction and not open yet. So we could wait to see some more units come online and then do kind of a further phone survey and get a political bit more de -- a little bit more detailed. We didn't talk where the renters or owners are employed. We could do that in the future.

Councilman Smith: That would be useful information to have. It's not necessarily directed to the question of are we fixing or revitalizing McDowell road but it may be instructive on whether some of these units that we're putting up are addressing the other problem that we are trying to address, which is the -- the migration of employees in and out of the city. Thank you.

Mayor Lane: Thank you, Councilwoman Klapp.

[Time: 01:41:17]

Vice Mayor Klapp: I would like to just add that I know that the economic development subcommittee that you are on is going to get an update in March from the Scottsdale Gateway Alliance on their work that they did in south Scottsdale with, you know, several thousand people interviewed and they have a lot of that demographic information they are going to share with you that they found in south Scottsdale. So I think that will probably give you more information than what she could dig up in the next few days. So I think it's the first week of March when you will hear that presentation.

Mayor Lane: Let's add to that. Erin, I know you can provide some of the background information, the relative comparison, but certainly within the city of Scottsdale, just the real estate acknowledgments, from the real estate industry, is that 85257 which is this area, has been the most profoundly impacted in the positive way and they were the most profoundly impacted on the negative side as well. So recovery is even more so in the context of that, but I'm sure you will be able to get that information as well. Well thank you very much, Erin. Appreciate that.

Councilmember Korte: Mayor?

Mayor Lane: Yes.

Councilmember Korte: Erin, were you looking for -- I'm sorry. Were you looking for some guidance for some suggestions? So, you know, we are looking at McDowell Road. We had the area, and we had several policies, programs, actions, were you looking for some better guidance, maybe honing in on some of those policies to give staff better direction?

PNT Manager Erin Perreault: Sure. If you have any of that we would welcome that. I do know one thing and I failed to mention in the presentation, but the McDowell permit fee reduction program will expire in April. So that's something that council may want to consider, either continuing that or letting it sunset. That will be a council decision that will need to be made. Staff recommendation would be if we move forward in continuing that, that we market it a little bit more aggressively, because anecdotally, we know that people are coming in to do what they want to do, whether it's residential or commercial and then finding out about the program as kind of a nice bonus at the counter. So I would say, we could extend it and aggressively market it a little bit better than we have last time.

With specific directions, certainly we would welcome anything you have with regard to the corridor.

We know that we have different developments that come in on key signature sites to Chapman auto, for example, the Ford site, the east end of the corridor itself, and so any thoughts that you have on those prior to something coming in and what you would like to see in terms of land use would be welcome so that we know that we are guiding the private sector in the way that council would like to see it.

Councilmember Korte: So I'm not sure how this will fit in, but let me roll a little bit.

The southern part of our city has historically is the core area, and our schools in that area are less than what we would like to see in performance and graduation rates and all of that.

Not -- now -- and, again, not knowing how this is all going to fit in, but somewhere along the way, you know, we are -- the city is about economic development and workforce development and how can we partner and better our schools in the southern part of -- of our city to make it more attractive for new families to move in to make it to improve property values, things of that nature because we know that school -- the value of schools does improve property values. So not knowing how that would fold in, I'm just putting it out there.

PNT Manager Erin Perreault: Okay.

Mayor Lane: Okay. Thank you again, Erin.

[Time: 01:45:47]

Tourism & Events Director Karen Churchard: Good evening Mayor and Council. Next we wanted to review with you an organizational priority that is to provide strategic support of tourism and visitor events. And tonight, I will focus on two of the objectives that we have for this priority.

The first being to enhance visitor experiences and promote downtown as a destination and some of the achievements that we had thus far externally include a series of promotional events which I will share a few photos. We started a promotion, Scottsdazzle, during the holiday time frame and that was met with great success, I believe, for the first year. And just a few photos of the area. We also worked with public art and purchased Los Trompos, which has been very, very well received and they will remain in our collection and they will be utilized throughout events and throughout the city of Scottsdale. We worked with the different associations on the type of activities they wanted to have in their area, as well as decorations and these are just a few of the photographs of that.

The next promotion that we -- well, part of it too is a lot of meeting -- we did get a lot of media and we did some advertising to really support the events and one of them being our main art walk event.

The next promotion we just recently did was western week. We really wanted to highlight the events that were already happening during that time frame and really bring some focus to that and Hashknife being one of them and again the art walk was a big part of it. We had a lot of success, again, with these events, I believe, art walk had a lot of people in attendance that evening. It was very lively and

energetic. The Hashknife pony express that started and ended at the Scottsdale Museum of the West for the first time had a tremendous amount of people on a Friday afternoon. We were really happy with that. We have some more ideas for that even for next year.

And then, of course, our Parada Del Sol parade. We have some work to do but I think it was better and better attended, again through promotional efforts.

And then we just kicked off a little promotion that we will be doing online for Scottsdale spring training, Buster Posey was generous enough to let us use his image and these just went up all through downtown. We will also be doing our pin promotion through the downtown ambassadors. Again we want to promote many of the events that the Mayor mentioned at the beginning of the meeting, as part of the proclamation. So this is really to bring attention to not only just the spring training games but the other activities that we are doing in the downtown area.

With that, I will go over a few other items that I wanted to be in collaboration with transportation. We completed our first interpretive biking trail named Mountain Vista Trail. It's in the downtown area along the Arizona canal banks. It has two framed interpretive signs, if you will and recently transportation also just put up route information with directional signage.

We are just beginning the research portion of our rebranding for downtown, we felt we will also be marketing focused and we are working with our advertising agency happy. They have a subcontractor brand outlook, which happens to be a Scottsdale company and they will be working with us on the brand strategy and doing some market research.

Internally, we established ongoing regular meetings between our departments that's specific to downtown, everything from maintenance to transportation, capital projects. Just you name it, we have been really meeting on that throughout the year.

We will be starting our capital improvement project for Marshall Way street signage and the lightning -- the lighting, and the street improvements that will begin in April. It just went through the design review board. It was approved on consent and we are also working still with capital projects on the -- and holly street on the master plan for public space.

And the second objective is that we wanted to collaborate with the community and the tourism industry on our tourism strategic plan. We are in year four of the strategic plan and that plan outlines eight strategic areas. 29 objectives and 74 initiatives. So it's a pretty aggressive plan.

This year, we are really focused in on four segments, if you will. We are continuing to do leisure demand activation. Again, whether it's more events or I'm really working on that shoulder season area and how we can improve some events and activities there. Part of the rebranding we are working on story telling consent with our merchants in downtown. We continue to support biking. We are branching out into some other areas like bike rentals, bike parking, identification of businesses that are bike friendly, those types of things. So it goes I don't know just the interpretational trail development.

And the last area is transportation connectivity for our visitors from the Phoenix airport into Scottsdale and we are continuing to have some internal conversations about that, along with experience Scottsdale. And we're actually hopeful that many of our objectives and initiatives through the tourism strategic plan come forth through our tourism related economic feasibility study known as downtown Scottsdale 2.0. CSL international, our consultants, they have completed more than 200 individual interviews, public outreach meetings and online questionnaires and right now they have been working with our internal team on the results using those results of those interviews and conversations to develop growth scenarios and they will be -- they will be vetting those out with the public in mid-April. So that project is well underway.

These are the projects I was hoping to share with you and I'm open to any questions or comments or input you would have for us.

[Time: 01:51:48]

Mayor Lane: Thank you, Karen. I appreciate it. There may be a few other questions for sure but nevertheless, one question, you know, as we -- in the midst right now of the spring training with the games here at Scottsdale stadium and we did have that game yesterday rained out. We had a flood of people who were looking to get around to the rest of downtown and my question is this: How much are we monitoring and frankly, promoting and maybe even making available just that kind of incident, you know, when people need to get away from the stadium and want to get around downtown.

How flexible are we in making sure trolleys are available? I know they have other means as well but do we do anything to sort of -- sort of assist when that condition exists?

Tourism & Events Director Karen Churchard: Well, I know we have a lot of the golf cart-type transportation that is in and around downtown Scottsdale and my understanding is there is a special trolley stop for the games. Whether or not we are nimble and quick to be able employ those, you know, right during the rainout, something we could certainly discuss and look at.

Mayor Lane: We had people coming by here, looking how to get to -- what is the easiest way to get to fashion square and I do think about some of the Pedicabs and the carts and those kind of things but the trolley has a route that gets up into that area. I didn't know how we could promote it or otherwise. We just try to -- not only the utilization, of course, but as a really great opportunity to the convenience.

Tourism & Events Director Karen Churchard: Yes, it is. Thank you.

Mayor Lane: Councilwoman Korte.

Councilmember Korte: Thank you, Mayor. A couple of questions. I have been spending some time speaking, getting to know a lot of our merchants, particularly in the Fifth Avenue and Stetson

area and talking to them about their concerns. And, of course, parking always comes up. Does the downtown, the Scottsdale 2.0 feasibility study, is that bringing in any parking analysis that would be part of that?

Tourism & Events Director Karen Churchard: Yes, there's a lot of studies and information that was provided to the consultants that they have reviewed and that discussion has come up in many of the individual meetings as well as public outreach meetings. They will come back with recommendations that will run the gamut. They have really talked a lot about the fact that it's about parking management and what does that mean and what different ways can you -- can you manage parking? And so we fully expect them to come back with that information. Yes.

Councilmember Korte: Okay. Another concern is just a communication with the city and what is the city doing. You know, they tend to be busy 24/7 with their businesses. Does the city do any outreach to the merchants to bring merchants together and have a conversation?

Tourism & Events Director Karen Churchard: We have been talking about that internally, but right now, the way we have been approaching it is our staff goes to -- myself included, goes to many of the association meetings and are some areas that don't have associations, for instance, the entertainment district, our police do a -- I believe it's about a quarterly meeting and we attend that. We do a lot of outreach in that regard. We also do a lot of our outreach through email.

We just recently started to do a monthly update on what activities are happening in downtown Scottsdale from an internal doctor from a city standpoint and what project updates, those types of things. So I would like to see us do some type of communication formally with the downtown and open it up to as many merchants as we can, because honestly, when we do these meetings, we tend to meet with the same people over and over again. And I think it is important to get views and, you know, inspiration, if you will, from different gamuts.

In fact, one of the newer groups that Danielle Casey and myself have been attending is the chamber group. I know some of our councilmembers have been there and it's been refreshing to hear from some new merchant and restaurant owners in the area.

Councilmember Korte: I would highly recommend that. I think the more communication we have with our downtown merchants, in all the districts of downtown would create a better synergy and workability.

And then lastly, with the trolley route, the downtown trolley route and I know that downtown trolley route is paid for using bed tax dollars. I understand that the trolley route does not proceed throughout the entire length of Fifth Avenue. Particularly, the area from where the intersection of Stetson and east to Scottsdale Road. It seems to me that we need to better serve our downtown merchants and -- and that particular stretch is a stretch of some real creative, unique business owners that do attract a lot of our visitors and a lot of our citizens our residents.

So that is a point of opinion, I will just place that as a point of opinion.

Mayor Lane: Thank you, Councilwoman. Councilman Smith.

[Time: 01:57:39]

Councilman Smith: Thank you, Mayor. When you mentioned the events, you mentioned Scotsdazzle that got people animated. I want to give a shout out to Canal Convergence. I don't know how many people had the ability to attend that. People were virtually veering off the road trying to look at the installations and try to find a place to come see them. But it -- anecdotally, I know that some people extended their visit here, augmented their visit here, and then in a few cases even came a day early to have that experience, but it's -- I truly would like to give a shout out to the public art folks that coordinated and put that on.

You mentioned one small item, the pursuit of the idea of bike rentals. I would certainly applaud that and encourage that. I think our city has become known as a bike-friendly city. We have achieved recognition in that regard and the idea of having bike rental stands like so many other cities do seems like a natural extension of that. I would love to see that happen.

I would also love to see in pursuit of the strategic support of tourism, I would -- I would love to know what kind of advertising support we have that in a sense alerts tourists to the -- to the opportunities in the old town or Fifth Avenue or arts district or whatever. I don't know whether there are discreet dollars that the city or experience Scottsdale or any other group designates towards this, but if not, I would like to encourage that somehow we get a handle on what advertising is being done, and if possible do more of it.

Tourism & Events Director Karen Churchard: Would you like me to make a couple of comments about it right now.

Councilman Smith: Only if they are supportive to what I said.

Tourism & Events Director Karen Churchard: Yes, they are.

Councilman Smith: No, by all means.

Tourism & Events Director Karen Churchard: We have \$100,000 in our general fund that we allocate to market and promote downtown Scottsdale. It used to be \$500,000. So we are hoping to get back to a higher level. But the city council graciously approved us using dollars towards a rebranding, a new downtown marketing plan. So we have a substantial amount of money, about \$150,000 put aside to really get that going, which we hope will include a new website and a lot of other great ways to market.

Experience Scottsdale really markets the entire city, and one element of that is certainly downtown Scottsdale. But I think it's really important for us as the city and was the reason why I asked for the council's support, is to really market and promote our downtown throughout the valley, that it's really

a premier destination for people to come and shop and eat and go to the canal convergence, which was a phenomenal event. So we're hopeful that we can really move the needle in the -- in the valley, and I think that with our efforts that are very much been supported by the experience Scottsdale that we can elevate even more marketing for the downtown area, through them as well.

Councilman Smith: Well, good. Rebranding doesn't excite me a great deal, but anything that we can do to alert people to the tourism opportunity downtown is a plus. And we pay have some discussions with the experience Scottsdale people later, sometime this year. I know we look at their contract, but maybe we can talk to them specifically about how they can target some dollars to advertising effectively for this area. And that might be all I have now, thank you, Mayor.

Mayor Lane: Thank you, Councilman. Councilwoman Klapp.

[Time: 02:01:59]

Vice Mayor Klapp: I don't know when the last time was that we got a date on what the tourism advisory task force is doing. I think if you are in the fourth year, it would be helpful to have an understanding of where they are. I know they are working on a lot of programs and projects, but I'm not really clear as to what all they are, and they came to us maybe a year or so ago and talked a little bit about possible events that they would hike to see happen and I haven't heard anything since then. So it would be at least from my perspective, I would like to get more of an update, or have it done privately, unless everybody else wants to hear about it too.

I would agree that we should be working on a bicycle rental program, and there are various models out there that are not too expensive for putting one together, if you -- I mean, I have seen some other cities and things that they have done and they don't have to be real expensive.

And then also when we did last talk to the tourism advisory task force, I remember in talking about events that one of the areas that I was most interested in, I don't know if that's really risen above the level of other projects and that would be to have some sort of bicycling event downtown. There's a tour de Scottsdale that's in the north part of the city. There's quite a bit of emphasis of bicycling along McDowell road, but we are not tying the downtown to either one of those things. So if there could be maybe some -- maybe the downtown event could tag on to the tour de Scottsdale or in some way connect to McDowell road and the bicycling is going on down there, but some type of a bicycling event in Scottsdale would be appropriate.

We are known more than you think as a bicycle community. A lot of people don't know it. And so we should be celebrating that. I know that Tempe wants to be called the bicycle capital of the valley, but I don't believe they are. And so we should promote our bicycling here in some fashion and I don't think a bicycling event would be terribly cost prohibitive. So hopefully the tourism task force is looking at that and I don't know what their priorities are being but from my perspective and knowing the people that I know that bicycle and are continuing to take up bicycling because it's far easier on the knees than other things like tennis. So older people in Scottsdale are bicycling more and more, and, of course, the millennial group is already bicycling and it's good way to tie all the groups together.

Tourism & Events Director Karen Churchard: We are happy to do that.

Mayor Lane: Thank you, Councilwoman. Councilman Phillips.

Councilman Phillips: Thank you, Mayor. Just because you brought up the bicycles, I think that should be a private enterprise. I don't think us as a government should be providing the bicycles and having a bicycles department. The 2.0, when is it coming to council?

Tourism & Events Director Karen Churchard: Initially, we have to get to the public outreach in April and then we'll look to update council most likely in June and then we'll want to do a fine a presentation but we'll have meetings easiest discusses prior to that. We are hoping that we can finish the whole project once y'all come back from summer break at some point.

Councilman Phillips: I know we have a lot of ideas and events and projects that we want to get going on and, I guess I'm chomping at the bit here to get this thing done and wrapped up and brought to us.

And final thing is can you eliminate fears about putting in parking meters?

Tourism & Events Director Karen Churchard: It's not a recommendation, no.

Councilman Phillips: Thank you. That's all I wanted you to say.

Mayor Lane: Thank you Councilman. Councilwoman Milhaven.

Councilwoman Milhaven: But it doesn't mean that the rest of us don't want to talk about it.

Mayor Lane: Thank you, Councilwoman Milhaven. Councilwoman Korte.

[Time: 02:06:03]

Councilmember Korte: We had a full year under our totally rewritten events ordinance and with a full year under our belt, I certainly don't want to relive the pros and cons but I have seen a noticeable reduction of street activation events since the new events ordinance took place and has there been tracking of lost sales? You know, all of that tracking of number of inquiries, number of lost sales. Why did they go someplace else? What was -- you know, what is the history there? Have we been tracking that?

Tourism & Events Director Karen Churchard: Yes, we have. I just recently, in fact, a couple of weeks ago sent a report to present Stockwell in regard to where we are in the six-month mark. The special enters ordinance went in effect January 1. I think he will come to you in the future.

Councilmember Korte: I hope that reflects a tax revenue year over year within areas of our downtown.

Tourism & Events Director Karen Churchard: That we are working on separately. The initial report does not include that but I know we have been working on tax revenue.

Mayor Lane: You know we have received some of that information through nine months of the year, year over year, and there was significant change in the specific area of downtown and old town over the rest of the city. We were anywhere from zero to small decline and 3% in downtown. We held off until we had a full year and that was coming through the treasurer's office, of course.

Councilmember Korte: And yet we never -- that was never presented to the public.

Mayor Lane: No, I know. We decided we would hold off for a full year.

Councilmember Korte: I see thank you.

Assistant City Manager Brent Stockwell: So Mayor, members of Council, the tourism and development commission asked for both an update on the special events ordinance for the first six months and then also the downtown sales tax, we will provide both of those to them before their March meeting and also provide that to you all as well at the same time.

Councilmember Korte: Thank you.

Mayor Lane: Thank you, Councilman Smith. I'm sorry, I didn't see your hand.

Councilwoman Littlefield: Nothing vital or heavy, a little light feather drifted by. You said something about storytelling in the downtown area. Could you elaborate a little bit on that?

Tourism & Events Director Karen Churchard: Sure. There's a lot of marketing that's done on destinations these days, really to talk about the stories. The stories of owners, the people that actually run the different galleries, and the artists themselves, the merchants. There's always a story behind how they came here, what -- you know, just a lot -- a little bit about them as opposed to just going to a coffee shop or going into a clothing store. So it's our goal to really find those unique stories and members of our task force, advisory commission, the committee have been helping us to do that and we wanted to do it in a more recent way through videos, utilizing YouTube and some of those types of avenues so that's our goal right now.

Councilwoman Littlefield: I'm always trying to look for ways to bring in the different boards and commissions to be active participants in the city. And to be knowing that they have things to give to us, that they can help us, and I was wondering if you ever approached the library board for stories and things that they may have on the history of Scottsdale. I know they have a great deal of information, also at the little red schoolhouse, but it might be interesting sometime to -- to use some of that information that they could find for you and perhaps do presentations or shows or this kind of thing on the sidewalk. It might be kind of fun.

Tourism & Events Director Karen Churchard: Yeah, that's a great idea. And we are talking with Joan Fudala and some of the concepts that we have for the old town area. So that's great. Thank you for that.

Mayor Lane: Thank you, Councilwoman. Councilman Smith.

[Time: 02:10:40]

Councilman Smith: Thank you, Mayor. I was first of all, going to echo the recommendation that was made that we get some kind of a report from the tourism advisory task force as Councilwoman Klapp suggested. I think you said they are in their fourth year now with some 74 initiatives. So I think -- I'm kind of curious to know what we have done so far and what remains and how much it might cost.

And I also am interested in seeing the report on downtown, if there's a change in revenue, what that change in revenue might be. I would caution anybody who concludes automatically that's due to more events, less events, the same events, whatever. I think there may well be a change in revenue downtown, but that's part of why we are talking about it as an area that needs our focus an attention to support tourism in that area. And to support events consistent with the new event ordinance. And the only thing I have seen disappear are the pop up tent retailers on the canal bank. So maybe it's been more profound than that.

And -- everybody seems to be talking without their microphones on. If you would like to chime in, go right ahead. But I welcome.

Councilmember Korte: The food truck caravan also went away.

Mayor Lane: And the farmer's market.

Councilman Smith: And we lost food truck vendors.

Mayor Lane: Well, interestingly enough when we think about those stats on the sales tax year over year, it was up previous years. So we are talking about it being down from the previous year, after the ordinance changed. So that's one the things we are looking to track and make sure that we know exactly what the impact, is beyond sales tax not only generated from those events but also from the -- the individual merchants in the area and restaurants across the board.

One thing I did want to just mention, just before we got confused on it, in any way shape or form, about 10, 11 years ago, we had an EMSD downtown, a property tax assessment that was used by an independent group to try to advertise downtown. Anybody who was around during that per of time realized it was a major fiasco, but it was -- and so it was put to rest quietly. But in any case, it was replaced by the city's participation, even with what we are doing right now on that overall impact.

And the intent really was to have destination marketing through the experience Scottsdale folks pick it

up. So there's going to be certainly a mix of additional money, far in excess of the 582,000 is the last number I remember from that district that has gone into downtown. And the only reason I mention it, is just the comparison. Half million to 100,000 is really not what it is. The city has really invested substantially into it.

Tourism and Events Director Karen Churchard: Thank you.

Mayor Lane: Do we have any other questions in this area? Yeah?

Councilwoman Milhaven: Mayor, I know we have a planning meeting scheduled for April 17. I'm imagining that's where we have a more robust discussion of where we go from here?

Mayor Lane: Yeah. Yeah.

Councilwoman Milhaven: Okay. Then I reserve my comments.

Mayor Lane: All right.

Tourism & Events Director Karen Churchard: Thank you.

Mayor Lane: Well thank you Karen. Appreciate it.

Tourism & Events Director Karen Churchard: Next is Danielle Casey.

[Time: 02:14:24]

Economic Development Director Danielle Casey: Good evening, Mr. Mayor and members of Council. All right. Well, hopefully I can do these fairly briefly because as you all are probably aware, the one thing I'm very good at is sometimes over communicating what we are doing in economic development. You do get quite a few updates. So we're very excited about that.

What I have for you tonight is really outlined, if you see six bullet points here in your strategic priorities for your council organizations, strategic plan, you adopted the main bullet points of the economic development strategic plan, make it really ease for me because it's one plan that we can follow for both arenas. I will say what we will talk about briefly is in excess of all of the best in practices work we do day in and day out in business attraction work, business retention work, et cetera and everything here are going to be new programs and activities and initiatives that we have launched since the start and the approval of our strategic plan and what makes me really excited about this is those are all best in practices pieces that are actually going to allow us to pursue accreditation and we have an accreditation team coming next month from the international economic development council which is -- which is extremely exciting because there's only one other organization in the state of Arizona currently accredited by this group and only 50 in the U.S. We wouldn't have been able to even apply for this without an approved council strategic plan. That was a big piece in getting us there.

So I will roll through these very quickly. As you all are aware, we have annual reports and we have done these each year since fiscal year '13/14 and reported out and taken ten minutes of your time every August. Those are available if anyone wants to see you. I do have some copies and, of course, they are online.

So going in consistency with these goals. For goal one, retaining and growing our existing economic drivers and employers. I took a lot of our numbers back to July 2015. We align our reports with the fiscal year. So more than 160 business visits. This is just calling on companies in the city to learn what's going on and how we can improve our services. And in talking to those companies when they tell us, yes, I'm growing and expanding and here's what's happening, we track that. And just the ones we have met with have represented more than 4500 net new jobs that they are creating in three years. So that's exciting and those are companies we want to stay in touch with and work with.

We have launched think tank discussions to help advise us and connect them with each other. We started an annual business appreciation breakfast and invited companies that have expanded or grown for whatever reason to come engage with us. The response is getting stronger and stronger.

We launched the first ever at least that I'm aware of, small business training series out of the eureka loft and we have done website in the night twice with Weebly. We leveraged our partner with the chamber of commerce for that and we will be doing another one here in May and another one at low cost. I thought that would please you and actually low cost and I was going to mention later from donations through partners like APS and SRP. And I do apologize that, should say February 2017.

You all have seen the information about the business feedback portal that we are working on to get input from all of our businesses on city services and programs, specifically those related to the business community so we can make sure that our strategic plan is really still on track and focused on what they need.

Second goal, supporting efforts focused on present and future employers, cultivating, retaining and attracting talent. This is huge. This is the top thing that our businesses tell us about. It's critical to them. So we have launched a very robust talent attraction initiative. The only one of its kind in the communities in the valley. I mean, I will be speaking to the M.A.G. economic subcommittee to try to get more communities on board and understand how important it is to businesses. We have done one programming class and we're going to be launching another one in April or May that's aimed towards helping H.R. reps with companies in Scottsdale learn new skills, connect with each other and sell Scottsdale.

So many of them come in here and maybe they are recruited as an H.R. rep from outside of the state, or they have been working in the state, but they don't necessarily know what is so specific about Scottsdale. Why somebody would want to live in a house or how robust our education system is. You know, they are busy trying to hire people on a daily base, so we are providing tools to make their jobs easier and, again, connecting with the companies. We have created a relocation guide, a work portal for companies to be listed that are hiring and we have also -- as I think you are all probably

aware, really tried to partner in any way that makes sense for us to support business united for Scottsdale schools, participating on their board, providing advisement and then trying to connect them with businesses that can advise on programs that businesses are going to find useful.

So, for example, what is the best way that a business is going to respond to putting interns into their offices or maybe doing follow days. The third goal, strengthening key employment and business owners. This is something that as we talk in the future, that we would really like to -- and we know at this phase in the strategic plan, it talks about us really ramping this up. So hopefully we will see more of this soon.

But we have grown the annual care corridor event, and completely funded by private donations. We will be holding an event. It's an invitation only, but this is a visitor from Mayo clinic's headquarters in Rochester who heads up the economic development, they call it a medical destination community and they will talk to us about what the state, Region and the community in Rochester has done. It's really amazing and how we can possibly learn from that.

We have been doing quite a bit of support and I think everybody you are hearing from tonight has been very involved in the downtown Scottsdale 2.0 efforts and it's takes a village. The business and outreach regarding downtown parking solutions as well.

So some key achievements. Engaging ourselves in the national and international economic development arena. We have developed the 101 presentations and what means is opening up our offices and doors and inviting anybody who wants to learn more about economic development to come in and talk to us. We have started putting those on Facebook live. So if there's somebody sitting in their office or elsewhere and they want to hear their presentation and update on trends in Scottsdale as well as our services they can do that or watch it later.

We have increased, again, our business appreciation visits the first year we did about 90 and we keep pushing that environment. Bob Tunis who does those visits for me, is losing more and more hair. That's okay, though. We do our annual broker appreciation event and what this is -- and we partnered with the chamber of commerce, our commercial real estate brokers are very important to our activity.

A great deal of leads comes to us from the greater economic council, as well as from the Arizona commerce authority. But more and more deals and sight selection processes for new business are being driven by the commercial brokerage community. So what we want to do every year, at a minimum is get in front of them as a group, and educate them again on how we can help them in a unique way, the types of information and resources that we provide within the city. Everything from helping to facilitate kind of an early maybe discovery process if they are looking at a certain site in the community, to working with other -- other political organizations, et cetera. So it really runs gamut, but we want to make sure that they are aware that they can come to the city and work with us and we'll facilitate that as ombudsman.

And we have also partnered with the Canada Arizona business council. There were a number of high

net wealth individuals. We are talking with Canada Arizona business council to talk about how we can ramp up our partnership with them and our outreach into the Canadian market which is the biggest piece of low hanging fruit that we are not yet maximizing and deciding to do that.

And building a Scottsdale business location brand on par with our Scottsdale tourism brand. This is the most aggressive item. We have won three national awards of excellence since that plan was adopted and two statewide awards since the strategic plan approval, again, crossing our fingers hopefully accreditation.

We have eight or more hotels and, again, these are -- this is not an exhaustive list of everything that we have done but things that we feel are pretty interesting. Eight or more hotels right now are putting a business welcome video on their in-house channel because we realized it was silly not to be talking to people in a hotel room about why there's a business advantage, as well as why it's wonderful to golf here and hang out here those messages are completely linked.

We have a three-year economic development plan and our social media reach has gone exponential. I think over 900% increase in our LinkedIn reach and we have joint marketing with tourism, the airport and even with Salt River project at one of our F.B.O. operators and SRP paid for everything. So that was good.

So finally, goal number six, our key achievements for growing, attracting quality firms and jobs, went can't say too much or don't want to say too much about our specific strategies in reaching new businesses, because those are our tricks of trade. However, since July of '15, we have generated received or responded to 369 new leads. These are ones that either our team has gone and found, someone has called us direct or commerce or GPAC has sent to us.

We drew a large number that are not applicable to Scottsdale but we have had our fingers on evaluating or responding to every single one of those. 1538 jobs attracted or retained. We only claim year one. That's what that number represents.

Direct economic impact when you run an analysis on those is about 10.7 million over five years. And we have supported catalyst events. We have worked very hard to ensure that they keep a Scottsdale day, as part of that group and they go all around the valley. We have raised more than \$15,000 for eureka loft enhancement training programs and we completed a trademark, service mark registrations process for eureka loft Scottsdale.

[Time: 02:25:10]

Mayor Lane: If I might to interrupt real quickly and that's to say as you have taken and decided it was sometime to go to take a conservative approach as far as the kinds of businesses and business leads that are directly related to activity from your office and through the city, but what we don't talk about often is just the overall environment and the number of businesses that don't show up here that have come here by virtue of a reputation at your department and the city has developed for business attraction. And so these numbers, even though they are great, and they go right directly to the job

you are doing, which is no doubt about it, a positive one, it's also -- and this is also specifically to new leads, when you think about the jobs that were retained by virtue some of great efforts in your department as well, and for the city.

So I just -- this is just a piece of it, as it works. It's the indirect approach and indirect aspect that I think really adds a lot of positive good additional news to this as well. So just for the record.

Economic Development Director Danielle Casey: Thank you.

Mayor Lane: Thank you.

Economic Development Director Danielle Casey: I'm not going to argue that. We can't take credit for that, but everything that the city does and everybody in all of the departments.

Mayor Lane: Well, it's interesting and I appreciate it. It's the overall approach. Everyone that you are talking to is talking to somebody else and that's where a lot of that indirect comes from too. So it's a matter of the overall program. So it's a great credit. Yes, Councilwoman Korte.

Councilmember Korte: Thank you, Mayor. So since July, 369 new leads generated. Of those leads, how many were successfully located?

Economic Development Director Danielle Casey: I believe I'm thinking from probably about 15. You can go and pull the exact numbers because it's not exactly aligned with the annual reports.

Councilmember Korte: And I know that, you know, in car sales if you don't close 25%, you are not doing a good job and I know that's not even close to what we are talking about here. So congratulations on that.

But are we tracking the lost sales. Are we tracking why people decided to go to Tempe or go to Chandler or Glendale, you know? Are we tracking why? And are there trends?

Economic Development Director Danielle Casey: Mr. Mayor, councilmember, absolutely. Sometimes it's largely anecdotal. Sometimes it is incentives. Sometimes --

Councilmember Korte: Did you say incentives?

Economic Development Director Danielle Casey: We worked a project -- I can give you a little bit of an anecdotal piece. We were tracking a project recently that I'm pretty sure is going to another community in the valley that we responded to and put together a big proposal on and they were very cost conscious. So it was really about if we could get some dollar numbers down for them, and -- and if this was the absolute best project that we ever saw in the community and we thought this is perfect and fully aligned with Scottsdale, you would see that elevated with some recommendations and maybe through the city manager to council to consider, you know, what can we do to land this project but we're very selective about that, as the Mayor mentioned. We didn't feel this was the highest

yield for salaries and jobs. That's one random example.

The new competitiveness is really, among how is Dallas doing compared to us? How are we doing compared to Austin? What are our opportunities in the bay area. We know we have a competitive advantage. We know that Chicago is good for finance and insurance. We know that the bay area is very good for tech companies looking to expand and grow their footprint. So we focus there on the attraction because there are many others we're not going to win on for various reasons, especially if it's just down to cost.

But if it's cost compared to another region, coupled with highly skilled labor, that's where we can really demonstrate a benefit and really an opportunity, for example, the north Scottsdale area, you can draw from a labor shed in the west valley, as well as the entire east valley and bring in the talented labor. Many of those folks are already in Scottsdale as well, as I look at Councilman Smith. And we can run that analysis and show companies. We really work with them to try to show what is within a ten minute drive, et cetera. So we look at those competitive regions.

I will say that for the most part in the valley, if it's a company that's taking a close look at us, more often than not, at least over the past 12 months, if we lost one, it's down to real estate. If they are ending up in Tempe or Phoenix, and that's generally the highest competition, downtown Phoenix, Tempe, maybe Chandler or Gilbert for a larger footprint office users we don't have a lot of product. I think that's why we are looking at different build to suit options and working with DMB and focusing on SkySong and thinking about the state land piece.

Councilmember Korte: Thank you.

Mayor Lane: Yes, Councilman Smith.

[Time: 02:30:29]

Councilman Smith: Well, since you saw me wincing at one point. Do you pursue an objective of trying to get companies that will have Scottsdale employees? We many a presentation some number of months ago by Paul Basha where he said, I think 80% of the jobs in the city are filled by people that don't live in the city. Which means they are coming in to work every morning. I have think the other statistic was something like 71% of the people who do work here live somewhere else, and -- who do live here, work elsewhere. So we have a large ingress and egress, which Paul will probably talk about when we talk about transportation. Are we fixing this problem or do we track it?

Economic Development Director Danielle Casey: Mr. Mayor, councilman, it's a multifamily layered question. I can tell that you when we choose projects to respond to, we know that our priority is to look at the higher wage positions. We often find ourselves working with companies that no doubt about it, are looking in a certain area of Scottsdale because they want to live in that area, so we look at the executive housing, and that higher income level. So it natural gravitates towards companies that will have the higher income sets.

We have looked at companies that come in with a large accord. And we regularly visit with them and talk with them about how do we help you bring your engineers here? We know the engineers are making 100,000, \$150,000, et cetera. We want to bring those business units here. So we often will tell GPAC and the commerce authority what we think makes a lot sense for people, smaller office spaces over the sweet spot for us, it's maybe a 50 employee organization that has an average wage of \$100,000 or more.

It doesn't mean that we can -- I think we talked about this at the subcommittee. We are not going to look at companies that see a strategic advantage for Scottsdale and refuse to speak to them. But we do target our responses and focus on the ones that we know align the most. At the end of everything, they will be the most successful here.

Many of the, I think, jobs and we can run some -- we can run some pretty detailed labor analysis if we wanted to say a lot of those jobs that aren't living in Scottsdale because of housing costs are going to be more of your service level type jobs.

Councilman Smith: Thank you, Mayor.

Mayor Lane: I think a perfect example of that is the Ugeno who has moved here from San Francisco. It's a cost basis on tax and regulation, we didn't do anything other than they found a great spot. Their average salary is in excess of \$125,000 a year. And most of the people that we just talked to, at their grand opening, are moving into Scottsdale. So it's a helpful trend in that we do not pay people to come here. We generally are looking for somebody who wants to be here, because of the environment and what we produce, and not only from the standpoint of housing but also the environment to live and work and to thrive.

So that's the intent, but it's not always something that I think that you can -- you can throw everybody out on the idea because there's an awful lot of surprise babies that come out of some of these things as they grow. Maybe I shouldn't have used that phrase.

Economic Development Director Danielle Casey: I'm not going to comment. Thanks. All right.

Mayor Lane: Anyhow, any other questions of Danielle? You got off pretty easy. Hurry up, get out of that seat.

[Time: 02:34:21]

Transportation Director Paul Basha: Members of council, my comments are pretty brief this evening. In part --

Mayor Lane: So you think.

Transportation Director Paul Basha: My comments are brief. I would be happy to -- I would be happy to listen as long as you would like. In part because the transportation master plan was

adopted last year, and also in part because there's the subcommittee on capital improvement program, which will be meeting in two days. And regularly.

First, I would like to say that every year we construct transportation projects and they range from \$22 million major street improvement projects, to \$4 million multimodal projects to \$5,000 sidewalk projects. In your -- in our proposed capital improvement program, we have approximately two dozen major projects representing about \$55 million, and then we have seven accounts for small projects that total \$13 million. So we have a large number of projects as -- is my point.

This particular slide shows a couple of topics. I wanted to remind the council of, we have increased Scottsdale Road bus route 72 from 20 minute frequency to 10 minute frequency in the highest ridership corridor, fashion square to Tempe. We also added a new bus route that comes from the light rail station at priest and Washington and served SkySong and places a little bit further east on McDowell road. As you may recall, we have a new trolley that operates at the early morning hours and that has been very successful. We have removed approximately 180 parked vehicles from the northeast quadrant of our downtown.

And we -- this may be news to you, but we have a project to change our signs on our shared use paths throughout the city and we will be beginning that this summer in Indian bend wash and then I wanted to remind the council again of the transportation master plan that you all adopted by resolution last July. Those are my comments, Mayor.

Mayor Lane: Oh, you weren't kidding.

Vice Mayor Klapp: I got a question.

Mayor Lane: Yes, thank you, Paul.

Vice Mayor Klapp: Paul, how do you publicize the ten-minute frequency bus route because I talked to numerous people who don't seem to know that it's there.

Transportation Director Paul Basha: Mayor Lane, Councilwoman Klapp, it is a valley metro bus route so we do rely on valley metro to publicize that route. It's difficult to advertise now. Once upon a time we had newspapers that most people read and it was easy to advertise that way. Valley metro does try to use newer technology, newer media for their advertising. I think you are right, it's an issue.

Vice Mayor Klapp: Thank you.

Mayor Lane: Thank you, Councilwoman. Councilwoman Korte.

[Time: 02:37:35]

Councilmember Korte: So what is the ridership of that bus route 72? Has it increased? What is

the increase from the 20 minute to ten minute frequency? And also, what is the ridership successful on the priest drive bus route 56?

Transportation Director Paul Basha: Mayor Lane, Councilwoman Korte, oddly enough, the ridership on route 72 has decreased in total with the increased frequency. Bus ridership throughout the valley has decreased in the last year. In large part, we believe that it's because of the increasing -- let me try that again. Of the continuing decrease in fuel costs. Most of our bus riders are choice riders. They are not captive riders. And the same is true with route 56, it has not been as successful as we had hoped. The ridership is quite low.

Mayor Lane: There's to factoring for the increased mileage when you talk about ridership on that. So we are not only talking about -- are we talking about just total numbers? Has there been a decrease and now we have actually more passenger miles to actually fill with the frequency increase?

Transportation Director Paul Basha: Mayor Lane, our passenger miles haven't increased very much. The miles of service has not increased very much. But you are correct. There's been an absolute reduction in ridership on a -- on a passenger's per mile basis that has declined.

Mayor Lane: Just so I'm clear on this. When you say increased the frequency from 10 minutes to 20 minutes a mile, you had to have increased the passenger miles.

Transportation Director Paul Basha: It's difficult to believe.

Mayor Lane: But you are going to tell me I'm wrong. Okay.

Transportation Director Paul Basha: When you say passenger miles you mean --

Mayor Lane: Be gentle.

Transportation Director Paul Basha: You mean the number of seats that we're providing on a daily basis because we have twice as many seats.

Mayor Lane: Yeah.

Transportation Director Paul Basha: The absolute number of riders has decreased, period.

Mayor Lane: So it's even more exacerbated by the fact that you have more seat miles, I will put it that way then?

Transportation Director Paul Basha: Correct.

Mayor Lane: Okay.

Transportation Director Paul Basha: Yeah, it's real bad news. Both of these two routes, its bad

news.

Mayor Lane: Thanks for that. I'm glad for that question.

Councilmember Korte: Well, I would like to continue on that. Do we -- is there any data with other transportation modalities in the valley? So, for example, light rail. Are they seeing -- is light rail seeing a decrease in ridership due to the cost of fuel?

Transportation Director Paul Basha: Mayor Lane, Councilman Korte, no. Bus ridership is down about 7% throughout the valley. Lately ridership is up about 9% throughout the valley. The 16% difference.

Mayor Lane: Councilman Smith.

[Time: 02:40:59]

Councilman Smith: I took your name in vain a while ago, when you gave us a report on the number of people who come into the city and leave the city for work. And I think I quoted the numbers but I'm not sure I'm right, that 80% of the jobs in the city are filled by people would come from outside the city and conversely from those people who live here, 71% leave town in some form or another to work elsewhere. If I have the numbers wrong, correct me.

The more important question I have, is this a statistic that we can put in any historical context? Is it getting better or worse? And is it something we track and, I guess, depending on what your answer is, I would suggest that we do track it. I think it would be good to know on an ongoing basis, but any one of those questions you choose.

Transportation Director Paul Basha: Mayor Lane, Councilman Smith, your memory is exactly correct. The numbers that you quoted are correct. And I would completely agree with Danielle that many of the jobs that are in Scottsdale held by people that live elsewhere are service industry jobs. And we simply don't have affordable housing for those types of employees.

We have not tracked that statistic over the years. I will work with economic development, current planning and future planning people and see if we can discover those numbers from the past. We think we can.

Councilman Smith: Well, I would urge you to do so if you think you can. And I'm -- I'm certainly aware that most of the jobs that the people come from out of the city to fill here are the service jobs, but there's also a reality that when you bring 100 jobs here, high quality, high paying jobs, whatever, you naturally create unbeknown to anybody, a certain level of service jobs, you know, the baggers at the grocery store or the fry cooks at McDonald's, whatever. That just is a natural complement to jobs here. Whatever kind of jobs it creates traffic flow that caused you to lose your hair and may do even more so in the future. So I would like to see some context of relevance.

Transportation Director Paul Basha: Thank you, Councilman.

Mayor Lane: Seeing no other questions, Paul, thank you very much.

Transportation Director Paul Basha: Thank you.

Budget Director Judy Doyle: Good evening Mayor and members of council.

[Time: 02:43:48]

Councilmember Korte: Before we move on, I would just like to make a statement. I'm -- I'm very concerned we're putting a lot of resources into our bus routes and seeing actually a decrease in bus ridership. So it's really not accomplishing the objective that we set out to. And don't know if -- well, I assume that you and the department is -- you are looking at the situation and going to come back to us with perhaps another model. I don't know, but this is very concerning. Given the fact that if we increase the bus routes, so it increases frequency, increases access, right, access to them using transportation, and ridership decreases significantly, whereas in other modalities, I.E., whether it's -- whether right rail across the valley has seen increase, you know, it's telling me that perhaps we are looking -- we need to look at things differently. Paul?

Transportation Director Paul Basha: Mayor Lane, Councilman Korte, we agree completely. That's very accurate assessment of what we should be doing. Next week, we'll be having a meeting in our department to reevaluate our routes and try to eliminate some redundancies and apply our -- our bus frequency at locations where we are more convinced they will be successful. It's an ongoing issue and it's certainly caught our attention, just as it caught your attention this evening.

Councilmember Korte: Thank you.

Mayor Lane: Paul, along that line, I guess I'm -- it goes to one of the earlier questions, how do we promote the fact that we increased frequency and maybe made it more convenient for some? I mean, are we -- who activates -- after our schedule has been changed, letting folks know along a route. How do we market that kind of thing. I understand your reasons where the fuel is cheaper but fuel has been cheaper for quite some time. So that's -- I don't know how much of that does.

I don't know whether it's the routes when you think about the comparison between right rail and a bus route, whether or not that would necessarily change the equation other than just simple based cost in it. But I am very interested as to how we let people know and whether there is a market -- you know, I mean this goes to the -- Councilwoman Korte's question, whether we even know -- well, I know we don't know -- necessarily know the answer to the question, what you have just said, we will look at our routes and see if there's not a -- a more active route to market or otherwise.

But I guess I don't really know that I have a question there other than the fact that I'm concerned as well. I'm concerned as to what the answer, you know, would be, as far as mass transit is concerned.

Transportation Director Paul Basha: I have a few responses to your comments if I may. Valley metro did publicize the doubling of frequency on route 72 at the bus shelters and at the light rail stations. So the current bus riders knew that the route was more frequent.

One of the issues we have with our bus service in Scottsdale is that we are at the end of the line. Our buses come from the west valley communities through Phoenix into Scottsdale, and so several of our routes end at Scottsdale Road and turn around and go back. Others end with -- with every other route continuing on east and the other routes turning around.

So we have two different issues. Some of the routes completely end. Some of the routes half of the time the routes end. And that's certainly disconcerting to riders. Our feeling is some of those routes at the northern part of our city that terminate in Scottsdale probably shouldn't even come this far into Scottsdale. Or they should be able to connect more readily to other buses in the city.

One of the issues that we're trying to understand is why do so many people ride light rail when they refuse to ride buses? And one of the reasons we believe is travel time in the transportation master plan we recommended a limited stop bus service on Scottsdale Road that would operate only with two stops at Scottsdale fashion square and discuss the park and ride. That's a third of our three new routes included in the master plan. So that's at least two years away but we think that's one way to address this -- this issue of lower ridership.

Mayor Lane: Do you still think that the last mile solution, particularly on the northern end of this is something that we need to tip to pursue?

Transportation Director Paul Basha: Yes, Mayor Lane, we intend to continue to pursue that. I'm happy to elaborate a bit on what you mean by last mile, if you think.

Mayor Lane: I'm thinking in the airpark area, as one of the solutions to the last mile dilemma we have, as far as convenience. If someone gets off-loaded at Thunderbird, they have quite a hike. I'm talking about miles in some instances.

Transportation Director Paul Basha: Correct the second of the new bus and trolley routes that we recommended and you adopted in the transportation master plan is an airpark trolley. And this is not been revealed yet, but we are contemplating autonomous buses. The largest expense for buses is the drivers. It's labor. And consequently, frequency is much less.

We are exploring a partnership where we would have very small autonomous buses that would operate from the Scottsdale Thunderbird park and ride location to the offices throughout the airpark. The cost will be substantially less and the frequency will be substantially larger. The vehicles are quite small. So they would be a little more personable.

Mayor Lane: And the prospect of even smart autonomous vehicles as being pro -- self-programming to the fact of almost a door-to-door on it. You know that I'm certainly a strong advocate of that thinking, but, again when we talk about the overall service on the decline, you know, you wonder

whether that added element of convenience still in the equation, but I'm sure you will be assessing all of that as you look at this.

Transportation Director Paul Basha: Yes, we are. We are carefully evaluating that operation. Initially, it would be a fixed route. The hope is it would become quickly programmable.

Mayor Lane: Okay. Yes, Councilwoman Klapp?

[Time: 02:51:37]

Vice Mayor Klapp: Well, the Mayor has circled back around to the question I had originally, and I appreciate the fact that valley metro is supposed to be publicizing these routes but obviously they aren't getting the job done. And so I would like to have some thought process put into how we, the city, could let people know about particularly the routes that connect to the rail stations. I have participated in several neighborhood meetings over the last few months and people would bring it up and say, how do we get to the rail stations and I tell them about the bus routes and they look at me like I'm kidding them, that there is a ten-minute frequency bus that goes from fashion square to Tempe train station and the other route as well. So they don't know.

And I don't know how we let them know, but there seems to be some -- you know, somewhere the ball is being dropped as far as letting our residents know that service has been expanded and maybe some of those people would get on if they really understood that there is this service available. And I'm not sure how to do it, but I think we as a city need to think of some things that could be done to better publicize the routes, before we just drop them.

Transportation Director Paul Basha: Absolutely. Absolutely. We will investigate a better advertising campaign. We have just hired a new transit manager. She will start in two months. And they comes from a different state that has a very successful bus operation. So we'll be able to use her expertise.

Vice Mayor Klapp: I know that valley metro is developing apps for routes for smartphones, which may be helpful for people in the south who may be able to tap into that information in a way this they are used to you know, a sign on a shelter or something like that is not necessarily the way they want information. So if this' a way we can link into an app that tells the -- you know, the route and the frequency, et cetera, that would be easy for somebody to use, that would be helpful, I think so some of the riders, particularly in south Scottsdale.

Transportation Director Paul Basha: Yes, Councilwoman Klapp. At your last council meeting, you approved an intergovernmental agreement with the city of Phoenix transit, for vehicle management system and one of the benefits of that system is it has real time bus arrival information. So with an app, a rider will know if the bus is coming in five minutes or ten minutes or 15 minutes. The user will know if the bus is on time or if it's delayed. And that has proven successful in other parts of the country. We are hopeful for that.

Vice Mayor Klapp: Testimony from valley metro, they can't figure out on the number of bus routes. There's all kinds of problems that come up, as to current bus riders and to get real time information on the bus service and, you know, how far away the bus is and that sort of thing. I think it will do nothing but improve the ridership experience of people who are used to riding the bus but it might entice some people to get on a bus if they had any clue as to when the bus is coming and right now it's difficult to figure that out, you might be able to go to a website if you know what it is and find a map.

There's bus books which are impossible to figure out and then maybe an app would hopefully be some solution but there's got to be a better way of communication than -- than is occurring today for people to understand the routes and when they are -- you know where they are and how long they are going to have to wait until the next bus, et cetera. Because people get confused so they don't go.

The fixed routes are easy. They know the routes there because you have the tracks in the road, but it isn't so easy for a bus route to know exactly where the route is, what the timing, et cetera. So it's a little bit different process for understanding how to get on the bus and what time it will be here.

Mayor Lane: Thank you, Councilwoman.

Vice Mayor Klapp: I'm not telling you anything you don't know.

Mayor Lane: All right, thank you, Paul.

[Time: 02:55:53]

Budget Director Judy Doyle: That's okay. Good evening, Mayor and members of Council. I'm going to give you a brief update this evening on your priority to prepare and adopt fiscally sustainable operating and capital budgets.

As we all know, this is an ongoing annual goal for our city. We strive to achieve many things with budgets that the city manager recommends each year and that you ultimately adopt, but primarily, we strive to meet your broad goals. We also strive to meet community needs, priorities, challenges and opportunities. We are always looking for opportunities within our organization to better provide the services we deliver, whether it be with efficiencies, cost effectiveness measures, how we provide the services, et cetera.

But the budget process is an opportunity for us to memorialize those things. The budget process is also a time we can memorialize any challenges that we may be facing in providing those services. This is also an opportunity to review the capital assets and determine our needs, as well as an opportunity to look at our current management structure to see that it is in such an optimum way to continue doing the great things that we do every day.

One off our objectives for this council is to improve citizen access to online budget and financial information. We have a lot of good quality information that we worked to put on the city's website on our budget accounting and finance page. You can find our current budget. You can also find

historical budget documents. You will find our monthly financial update or CAFR or comprehensive financial report, and you find current versions and historical versions. We did reveal a new look on our monthly financial update this year which carried forward into the monthly financial report.

In addition, to continuously striving to improve our financial reporting, our goal is to create efficiencies within our preparation process by fully automating that report and update while improving the presentation of the information. The improvements included using more graphs to illustrate information in an easy-to-understand format and to clearly communicate some of those important points. The information that we presented did not change just how we presented the information was modified. And then we're also exploring, including financial information as part of the city's open data portal program.

Another objective for this council goal is to evaluate options for ensuring long-term financial stability. One unit for the initiative of this objective was the favorable 2015 for the two of the six bonds, the pavement replacement and construction or reconstruction four of our fire stations totaling \$29 million.

Another noteworthy objective is your forming of that C.I.P. subcommittee to review the capital improvement plan, and make recommendations to the full city council. We did hold our first subcommittee last week. As Paul mention we have our second on Thursday. I will say that we are excited about subcommittee and we do look forward to those outcomes.

And then finally, the last objective, I wanted to mention for this goal is to evaluate performance and make adjustments as needed throughout the fiscal year. We do this through the ongoing financial update our city treasurer presents to you monthly and the reports that we prepare. This is where we monitor and evaluate those revenues versus expenditure performance. Additionally we developed an automated quarterly performance report which is shared with you and is our opportunity to assess results.

And with that, I'm happy to answer any questions. That concludes my portion of the presentation.

Mayor Lane: Seeing no questions, okay.

Budget Director Judy Doyle: Don't feel obligated Councilman Smith.

[Time: 03:00:48]

Councilman Smith: I don't want to let you down. I think first of all, I commend you on all the things that are being done in the way of reporting and budgeting and online reports and information for the citizens and whatever.

My only question, I think, and it may not even be to you, but the objective for this target, for this -- we don't call them targets. What do we call them? The goals. As to achieve fiscal stability in operating in capital budgets and I don't know whether we consider ourselves on target. I don't

consider us on target. Because we have not had since 2013 a single year when we had a capital budget that was sustainable capital budget, meaning we were letting the infrastructure deteriorate at a more rapid rate than we were programming to -- to reinvest.

So while I have no problem with what have you reviewed with us, the improvements in budgeting and information and whatever, maybe my question is more to the city manager or somebody in the city manager's organization but what do we have as a -- as initiatives to actually begin to ensure that we have fiscal stability in an operating and capital budget? I don't see anything -- I mean, we put a bond election out to the voters and they gave us a couple of questions back positively, but other than that, I don't know. I don't know if anybody wants to talk to that or not.

Budget Director Judy Doyle: Mayor and members of Council, I will note that we have formed the C.I.P. subcommittee. And so we do hope that that will be an opportunity for you to speak of the bond initiatives that we have put forward previously. We're really looking for some of the feedback from you all if you feel that there are other initiatives or objectives that we should be doing to better address this goal.

Mayor Lane: You know, I think that's well put and I actually was a little concerned that councilman Smith brought that up because that is the intent of the C.I.P. subcommittee, was our effort to try to not only balance the and prioritize the C.I.P. -- well, the projects within it, but also to find and determine how we might best put together a persuasive program of how to fund them and the different mechanisms we might use. So I think that -- you know, I think it's in our court and it's more specifically in that C.I.P. subcommittee's court to respond to that question. So I think that's what we are hoping for as well.

So there you go. And I think they are all sitting right over here. If you want to convene another meeting, as soon as we --

Councilman Smith: We take the assignment.

Mayor Lane: Give us your best thoughts on it.

Councilman Smith: We take the assignment and we take it seriously. I think I was just reacting to something that I had seen in the package that came with this discussion tonight, that sort of color coded everything green in this category and regardless of knowing the good work that our subcommittee will do in the months to come, at this point in time, I don't think that we can honestly color this green because we do not actually at this point in time have and have not had since 2013, a fiscally sustainable capital budget. Thank you.

Mayor Lane: I must be looking at the black and white version. Where is this? Thank you, Judy. I think Councilwoman Milhaven wants to move along. All right. Donna, welcome.

[Time: 03:05:08]

Human Relations Director Donna Brown: Thank you. Mayor and members of council, my name is Donna Brown, human resources director. I'm here to talk about the strategic objective to reinvest in a high performance organization.

Okay. The strategic goal is to focus on efforts that support the workforce to ensure Scottsdale employees feel valued for their contributions and equipped to perform a high level --

[off microphone comments]

Okay. Thank you. And receive pay that is fair, equitable and competitive in the local labor market to address, this I will be talking about the different department goals that I have for training and development program, classification and compensation program, employee benefits program, and at the end, Brent Stockwell will address the customer service initiative.

So in offering relevant training programs for employees at all levels of organization, we did receive feedback from the employees last year from our training even valuations, our exit interviews, the employee relations conversations and employee surveys and overwhelmingly, they mentioned that leadership training was needed. So that has what we focused our efforts on in FY '16/17. They developed a series called Leadership in Education Development, LEAD and the first series was lead one, foundations for supervisors. This two and a half day program which was in house, was -- happened in October of 2016. And it provided for H.R. compliance training, and policies and procedures related to that. There were about 35 attendees and they gave an overall evaluation of 3.76 on a 4.0 scale and due to popular demand they did request it again and we are going to provide it again in April of 2017.

Our training and development staff is hard working now on the second series of LEAD, which is called Leadership Essentials, LEAD II. This program will concentrate on heading, engaging and empowering our employees to perform at their best. Our city manager is actually going to be giving the kickoff for that, which we are excited about. This once a week training which is going to happen for five weeks is scheduled for March of 2017. Within a 24-hour period of offerings, it became completely full.

We'll offer other relevant training programs as well. And that's based on our city wide training programs and our performance management programs.

The second goal is to implement the employee classification plan to ensure fairness and equality. We're going to do this by making sure that our classification plan is fully implemented. Last year, the plan was to create a classification plan based on the Scottsdale revised code. And that classification plan is basically a methodology about how we do classification studies, what the classifications of our positions are, and how we do the studies how we do reclassifications and who we study against. This year, I requested to ensure our full compliance an audit from our internal auditors, audit number 1606, HR compliance program and we think that that will be finished -- I'm sure that will be finished by the fiscal year. My goal is to have it done by May 1st, 2017. They are hooking at relevant programs such as our pre-employment requirements and the CDL program and other valuable programs in HD.

There are several federal mandates that we successfully implement this year, one of which was the FLSA final ruling which was effective in the city of Scottsdale on October 16th, 2016 and that's eight months before the federal requirement. That raised the salary exemptions threshold and there were 20 job classifications and 94 positions affected. Another mandate, federal mandate is HB 2350 that provided 12 EAP visits per year. And the other is Proposition 206 which raised the minimum wage to \$10. 72 employees were affected. Now, all of these mandates required us to provide the written notification to the employees, as well as training and any questions that they had, with made sure that we knew -- they knew what was happening before it was implemented.

The third goal was to evaluate options for ensuring employee benefit programs, are cost effective and designed by employees on February 24th, Lauren Beebe gave a wonderful presentation about the employee benefits program. In that program, you heard that the employee health and wellness team was well branded tonight total advisory, TBAC, it increased employee representation and participation. In the TBAC, we talk about the reduction of medical costs and receiving employee feedback about the program. We partner with the office of communication and provided a biweekly benefits bulletin that all of the employees had access to. We received positive feedback.

The H.D. benefits team is still hard working, making sure that they are doing individual consultations, as well as presentations to the departments. We still man the benefits hot line, Monday through Friday from 8 to 5, and that ends my presentation. Do you have any questions?

Mayor Lane: Yes.

[Time: 03:11:17]

Councilwoman Milhaven: I want to commend you again for the amazing job you did with the employee group around health benefits. Thank you.

Human Resources Director Donna Brown: Thank you.

Councilwoman Milhaven: And then the second is, as we look to the future, I would hike us to contemplate doing employee surveys. You know, I think high performing teams do employee surveys and share the results with employee teams and then teams put work plans to go and so the work you are doing around leadership development, I think is terrific and I would love for us to contemplate taking that to the next level with employee surveys that become part of the leadership work plan. So thank you.

Mayor Lane: Thank you, Councilwoman, thank you, Donna. I appreciate it. All right. City council, since I was -- oh, if you have a question. I'm sorry.

Councilwoman Littlefield: I just wanted to say, I think that's a very, very good presentation and a very good strategy that you are employing. One of things that I actually spoke with the city manager was the need for employee development and growth and opportunities for that professionalism. That you are doing this, I think is wonderful.

Human Relations Director Donna Brown: Thank you very much.

Mayor Lane: Mr. Stockwell.

[Time: 03:12:34]

Assistant City Manager: In the spirit of spring training, since I was leadoff batter, I get to do cleanup at the end of the game.

The high performance organization, priority, and that is related to high quality responsive service provided through efficient and effective processes. So this is really the way -- in large part that we implement the city's mission statement that you all approved of simply better service for the world-class community.

So you may recall from a prior update that we actually took each part of that word simply, better and service, and we actually put employee teams around each one of those pieces. So the service piece of it is citywide team identified an implemented customer service standards that are being implemented throughout the organization and doing training on that as well. A city wide team of trained facilitators conducting process improvements in the city department. So the department directors identify areas in need of process improvement and then we have trained facilitators that go in and do those processes to identify ways to improve that. We have done them in a number of different departments.

We also have a citywide team that's working right now on creating a single portal for citizen inquiries and work requests that will launch by July 1st, and so right now, if you go to the website, there's a lot of different ways that the citizens can interact to get work orders in. We are working to have one single portal that's also mobile response and we have that by the first of the fiscal year.

As Judy mentioned, we do have a performance report that's prepared and released on a quarterly basis to track the quarterly items. And then after the priority was established, it was a nationwide initiative that we thought was worth participating in that is funded by Bloomberg philanthropies, it's the what's work initiatives. So Bloomberg philanthropy.

Within the next few weeks we are going to be releasing a revamped open data portal with a number of different data sets on there. That's very consistent with other major cities in the open data portal. So they do, and we have been working with the behavioral insights team to do a number of low cost evaluations where we actually do randomized control trials where we actually test different messages and different practices and test those to see what works and what doesn't. And we have done a couple of them. So far.

One to try to increase participation in Scottsdale cares utility building program and also to encourage employees to participate in retirement, additional retirement programs. And then we have another one -- a few that are underway and in progress right now, one to encourage people to take advantage

of the city's paperless utility billing, which saves the city money. So we will be working on that and then also exploring different areas, such as police recruitment and solid waste as well.

So that concludes the update in that area. I'm open to any questions you have, or any additional feedback you have for us on the priorities.

Mayor Lane: Nice cleanup on this and summation. Now, I know they will spring one on me, but I don't see any further questions. I want to thank you very much, Brent, for the entire presentation and seven who presented. Thank you very much.

Vice Mayor Klapp: And this may be connected to this but may not. At your state of the city address, was the video put together by our communications department?

Mayor Lane: Yes. Actually, in a combined effort, I think with the economic development department and some of their participants --

Vice Mayor Klapp: Yeah, I thought it was really good. It focused on the people who work at the city, and I thought it was very well done. So I just want to commend whoever put it together. Because we haven't had one like that for -- since I can remember.

Mayor Lane: Yeah.

Vice Mayor Klapp: And I thought was a good process. It just helps -- it's an example of the team that's here at the city and the kind of things that they do and that they are there to serve people. It was just a good -- good indicator of what we're trying to do in this objective.

Mayor Lane: And I'm sorry, I misunderstood because we had a couple, obviously --

Vice Mayor Klapp: I'm talking about the one about the city. Was that put together by the communications department?

Assistant City Manager Brent Stockwell: The -- now this one died. The city's office of communication put that together. You may recall some of the video footage from that was used in the employee's awards ceremony the year before but that's been packaged together and it's out on our YouTube channel and it will be on Scottsdale video network on city cable channel 11. So they will be showing that and I know that I show that video every time we have a new employee orientation. So as we welcome employees into the organization, we help them get a sense not only of what they do in their specific job budget the breadth of things that they do. It's impressive and it's one of the few presentations that ever gets a round of applause at the end.

Vice Mayor Klapp: That's why I brought it up. I thought it was excellent and do more of them, whatever it is, do more like that.

Mayor Lane: Nicely done all the way around. I think that then completes our business on our work

study session.

ADJOURNMENT

[Time: 03:18:22]

Mayor Lane: And if there's any other comment, we will move to adjourn.

Councilmembers: Move to adjourn.

Councilmembers: Second.

Mayor Lane: All of those in favor of adjournment, please indicate by aye. Aye. We are adjourned.