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CALL TO ORDER

[Time: 00:00:03]

Mayor Ortega: I call the June 22nd, 2021, city council regular meeting to order. City clerk, Ben Lane, would you please conduct the roll call.

ROLL CALL

[Time: 00:00:13]

Clerk Lane: Thank you, Mayor. Mayor David Ortega.

Mayor Ortega: Present.

Clerk Ben Lane: Vice Mayor Betty Janik.

Vice Mayor Janik: Present.

Clerk Ben Lane: Councilmembers Tammy Caputi.

Councilmember Caputi: Here.

Clerk Ben Lane: Tom Durham.

Councilmember Durham: Here.

Clerk Ben Lane: Kathy Littlefield.

Councilmember Littlefield: Here.

Clerk Ben Lane: Linda Milhaven.

Councilmember Milhaven: Here.

Clerk Ben Lane: Solange Whitehead.

Councilmember Whitehead: Here.

Clerk Ben Lane: City Manager Jim Thompson.

Jim Thompson: Here.

Clerk Ben Lane: City Attorney Sherry Scott.

Sherry Scott: Here.

Clerk Ben Lane: City Treasurer Sonia Andrews.

Sonia Andrews: Here.

Clerk Ben Lane: City Auditor Sharron Walker.

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

Mayor Ortega: Thank you. We have Scottsdale police officers Christian Bailey, Anthony wells and Dustin Patrick, as well as firefighter Brandon Williams, if anyone needs assistance. Well, welcome back to the Kiva, citizens of Scottsdale.

Really happy to feel the presence and as we are currently reopening and admitting, certainly in-person, as well as virtual or remote comments. So we appreciate you being here. And you can see the layout, we are preparing to open to full capacity, and we are practicing the correct distancing and we'll continue until our community hits the low transmission threshold.

To on June 25th, Scottsdale celebrates 70 years as a municipality. We have many exciting events going on to mark this milestone anniversary. So fasten your seatbelts. Tomorrow at 2 p.m. is the retro ride

through Scottsdale and the civic center library auditorium, with Scottsdale community historian, Joan Fudala, and tomorrow, starting Wednesday, Scottsdale leadership put together a wonderful display of leadership to celebrate our 70th and their 35th anniversaries.

You can see that in the heritage area of the civic center library over the next few weeks. On try, June 25th, come out -- on Friday, June 25th, come out and participate in legacy quest. To learn more and register, please visit the city of Scottsdale's website and search legacy quest. And note that the rusty spur celebrates its 70th anniversary.

The city council is participating with the Red Cross for a blood drive at Mountainview Park Community Center. The red cross is currently in a critical shortage let's help them and reach our goal of 70 pints for 70 years. To register, visit the city of Scottsdale's website and search 70th anniversary for our press release containing the link to register.

Well, let's watch this 70 second video sent to us by our parks and recreation development program. These are kids who wanted to help us celebrate our 70th anniversary.

[Video]: Happy anniversary Scottsdale!

Mayor Ortega: Wow! Well, added to that, and the video, mayor and council just received this beautiful artwork. It's a collage with all of their faces, and this was done by the youth development team and typically there were 280 kids involved in our five campuses during this period. And our capacity was pretty high.

So I thank you for put -- giving this and I'm sure we will put it in a place of honor. Thanks, kids.

Now at this point, we will start a presentation on two updates and beginning first of all with the Arizona public service APS peak solutions rebate.

[Time: 00:06:10]

Brian Biesemeyer: Thank you, mayor, this is Brian Biesemeyer. This is the presentation of a large check to Scottsdale water for our participation in the APS peak solution program. Normally this is done in January or February of the prior year but COVID set us back a little bit in getting the presentation to you, but not the check. Kelly, if you can roll the -- thank you.

[Video – Brian Biesemeyer]: Greetings. Scottsdale water has been participating in the APS peak solutions project for over a decade. We have been able to save Scottsdale ratepayers over \$1.2 million. The APS peak solutions program is of a demand response program where Scottsdale water helps APS to reduce demand on their program during peak periods and as a result, Scottsdale water gets a nice check back.

It sounds like an easy thing to do, to reduce your demand but Scottsdale water is a utility that has its own demand requirements when people turn on their faucet, they expect water. So it's not quite so simple, and yet, through some thoroughly planning and operational controls, Scottsdale water has been

able to do that and thus get a nice check back. Here to present that check is Patty McLaughlin from APS.

[Video – Patty McLaughlin]: Hi. Thank you so much! I would really like to recognize Brian and his team for all the hard work and dedication. You guys have been consistently providing the largest load reduction over the past 11 years and the largest municipally is in the program. Thank you again. Continued support of the peak solutions response program.

So it is with my pleasure, I get to present the 2020 peak solutions program check for \$121,000 for your support we really appreciate it. Thank you.

[Video – Brian Biesemeyer]: Thank you.

Mayor Ortega: Well, thank you so much, Brian and Patty McLaughlin. We will be checking with Sonia Andrews to make sure that's deposited by Monday. Oh, wait.

PUBLIC COMMENT

[Time: 00:08:46]

Mayor Ortega: Our next item on the agenda is public comment and public comment is reserves for Scottsdale citizens to comment on non-agendized items that's within the city council's jurisdiction. No official council action can be taken on these items and the speakers are limited to three minutes to address the council. We have two requests in person.

So that would be Sonnie Kirtley and then Paula Sturgeon. Please, Sonnie. He will ask Paula Sturgeon to go first then.

Paula Sturgeon: I was told to turn the microphone on when it was my turn. Good evening, Mayor Ortega and members of the council. I wanted to come this evening on our first night back in the public space to say thank you. Quite often elected leadership is a thankless role.

No matter how hard you try, somebody is going to be upset about what you have done. But I think this council has worked hard and has achieved great things so far, even beyond my wildest hopes. I want to affirm you for your work in listening to business leaders regarding the Kimsey project. I want to affirm you in the way that you were able to come together with a general plan to submit to voters. I just think that too often you sit there and hear nothing but negative and sometimes you hear it from me.

So tonight, I simply wanted to say thank you. Kudos and thanks for bringing us back into this wonderful Kiva, where we can gather together civilly to do the work together as the city of Scottsdale. Thank you.

Mayor Ortega: Thank you, Ms. Sturgeon. And Sonnie Kirtley.

Sonnie Kirtley: It's your night for compliments. Are you ready? Good evening mayor and council, my name is Sonnie Kirtley, 50 plus year resident on highland avenue, all the closets are full. The council in

June produced a huge document, three pages of bullet points that are your priorities for the coming year.

It is so impressive, and it will be available on the July 1st, Thursday July 1st agenda. You can go to your Internet now, those of you who are watching on channel 11 and listening. And agenda item number 15, click on strategic plan. It's so resident friendly. They are listening.

Everything that Paula says is true. We really appreciate you. I will list seven items to whet the appetite. Number one, judge all new projects for high quality. Number two, that C.O.G.S. picked out here is to revise and adopt Old Town character area that's under discussion tonight in the work study there. Will be no decisions, just discussion and presentation. Here's one that Nancy canner will be thrilled. With adopt a plan to expand affordable housing. She's been working on that for over 40 years. The fourth one that we appreciate. This is Howard Meyers' favorite, determine the cost of development and what the impact fees should be changed. Number five. Now, this one C.O.G.S. worked with a citizen group for more than three years on a noise ordinance which ended up not including the downtown overlay.

But the scale that they were using, those of us that are science majors said, no, you can't use that scale. That scale is for voices. We need to get the base. So now this council has been taking a look at decibel leaders that read the bass. I read a mile away. I get to enjoy the bar district, Thursday night, Friday, Saturday, and Sunday. Almost done here. That's my warning notice. Heat item. This is Virginia Korte's favorite, plant some trees. And the last one for those who want a Tesla, you will have more electric plug-ins. Thank you all. This is an incredible list. Citizens get online and take a look at it. Thank you.

Mayor Ortega: Well, thank you very much. With that, I will close the public comment and we will have the Pledge of Allegiance with councilman Tom Durham.

Councilman Durham: I pledge allegiance to the flag of the United States of America, and to the Republic for which it stands: One nation under God, indivisible, with liberty and justice for all.

MINUTES – MOTION AND VOTE

[Time: 00:14:18]

Mayor Ortega: At this point, we will be considering the minutes. In particular, I would request a motion to approve regular meeting minutes of May 4th, 2021, work study session minutes of May 4th, 2021, work study session minutes of May 11th, 2021. Do I have a motion?

Vice Mayor Janik: So moved.

Councilmember Littlefield: Second.

Mayor Ortega: I see a motion by Vice Mayor Janik and a second by Councilwoman Littlefield. Please register your vote.

CONSENT AGENDA – MOTION AND VOTE

[Time: 00:15:03]

Mayor Ortega: Well, thank you. Next we have on the consent agenda. We have items 1 through 3, 2 however, I have a request from the staff to continue item 6 and 9 to the July 1st city council meeting. Do I have a motion?

Vice Mayor Janik: So moved.

Councilmember Whitehead: I will second that.

Mayor Ortega: I have a motion to continue items number 6 and 9 to the July 1st council meeting made by Vice Mayor Janik and seconded by Solange Whitehead. Please register your vote. We also had a request to -- excuse me. I thought we were going to look at another item in our regular agenda and that would be to move item 12 to the regular agenda. It would be deleted from the consent agenda. Do I hear a motion for that?

[Off microphone comments]

Mayor Ortega: All right. We will just move it along. Thank you.

Councilmember Whitehead: Would you like to make me to make a motion. How about a motion to approve consent agenda items 1 through 32, with the exception of item 6, 9, and 12.

Councilmember Caputi: Second.

Mayor Ortega: Thank you. We have a motion by Councilwoman Whitehead, a second by Councilwoman Caputi. Please register your vote.

ITEM 12 – SCOTTSDALE AQUATIC CLUB REVOCABLE LICENSE AGREEMENT

[Time: 00:17:14]

The -- we will now go to the regular agenda and begin with the discussion, the presentation of item 12, which is the Scottsdale aquatic club revocable license agreement. The presenter is Bill Murphy. The assistant city manager. Proceed.

Bill Murphy: Good evening Mayor Ortega, members of the city council, Bill Murphy representing city services tonight in regards to the Scottsdale aquatics revocable license. I wanted to share with you a little bit on the -- what we are doing currently right now. So we have three teams that utilize the polls and we have our diving team and we have Scottsdale synchro of Arizona who is are the other team.

I wanted to also -- tonight, you received some comments from one of the other teams that had submitted to our allocation as a partner and that would be Neptune. I want to go through that and answer a couple of questions. So Neptune was used of our Eldorado pool in 2018, but declined the use of the facility at that time.

In May of 2019, Neptune swimming foundation took the city of Scottsdale to Maricopa County superior court based on the claim that was in the comments today from the person who provided that information to you, that we had a 2018 city procurement process that they disagreed with.

The city defended itself in the legal actions and the city was found to be in favor and it was not sustained by the court in Neptune's behalf. In 2019, the city offered to Neptune again the pool space at Eldorado pool. This was done through arbitration in the court process. In the spring of 2020.

The judgment that I mentioned that had been declared by the superior court was found in favor of the city in August of 2020. Since that time, they have now filed an appeal with the appeal court and the Goldwater institution is defending them and we will see how that works out.

So the youth allocation policy that we have in 2021 is new. It remains -- we had a draft form of it, all the way in 2018. And we began to kind of look at how we could improve that. So the staff has reviewed all the application, and Neptune was collected as a partner in May -- selected as a partner in May of this year.

They have been sent the information to provide us information about their swimmers, information for the application so that we could come before you also to have a license for them to utilize the pool. It's safe to say here that Scottsdale aquatics had an arrangement with the city of Scottsdale for 55 years.

[Time: 00:21:07]

The other two groups have also had agreements with the city for over 25 years. The diving group has been 25 and I believe the synchro has been 25 years. So the way that we did the scoring for this allocation process was Neptune, the home pool for them would be the Eldorado pool.

The information that came in to you today, there's a few things that need to be clarified. Number one, it says the city allocation is exclusive to Scottsdale aquatics for their use only. Because of how we did an award based on the number of points that someone receives. All the other three teams have been with the city for over 25 years. They were given pointed above what Neptune would have. That was a way to calibrate to get them involved. We have worked hard with them to utilize some pool space.

They continue to tell us that they only want to use the pools at cactus and at McDowell mountain. The pool at McDowell mountain is service right now for the synchro group and the Clavadistas Del Sol utilize that. So when the synchro groups works at MMR, there are five lanes that are utilized there and with the diving pool at cactus, there are four lanes that are lost. So that leaves just some space for the other teams to use there. Eldorado does not have that conflict at all.

It was mentioned that S.A.C. actually underpays for what they provide. Each the groups pay us \$4 a lane. That's the fee. It's a fee that you as a council have approved in the fees and charges and that's what's in the agreement tonight. They also mention the fact that they will generate more revenue than the other groups if we were to follow their number. The number is based on how many lanes they would use.

We don't really know what the number is yet, because their application to get to us so we could do the agreement with them, we don't have that determined just yet. The prioritization to talk about, kids used in Scottsdale. I have some numbers I can share with you. So currently right now the Scottsdale aquatics club has 341 residents of Scottsdale. They have 170 nonresidents and the synchro team has 26 residents. And the diving, 43, and 43 are from Scottsdale.

[Time: 00:24:24]

We have checked with U.S.A.A. for the Neptune group, and the number that came back from them was that they have 102 swimmers in their program. 79 of them are Scottsdale residents. There's also a claim that they provide that the distance for them to swim is too great to come to Eldorado pool. That's interesting in that they are swimming in D.C. Ranch. Right now they are swimming up there at their pool.

They also are pretty much in various other areas but they also swim at the moon valley country club. If you scale out the distance from there to here, it's very similar. Eldorado they mentioned it here, they wouldn't have as much swim time with what we agreed with right now tentatively with them. They would have an ample amount of time to swim in the morning and the evening.

And there's a program that most of the swim clubs like to do during the summer, the long swims. We primarily do that at cactus because it's the largest pool that we have. I want to let you know that the agreements we have tonight, it's a licensing agreement. It's nothing more than that at this point. It's for us to give the authority for Scottsdale aquatic club to utilize the pool space that we have, and it would continue to be what we have been doing with them for 55 years. I will answer any questions you might have.

Vice Mayor Janik: I have a question and it has to do with the Eldorado pool. I know Ms. Shaler made the comment it was not conducive to swim team lap swimming. Could you describe the pool for me and how many lanes would be available for lap swimming and how long those lanes are?

Bill Murphy: So the lanes -- excuse me, the pool at Eldorado is no different than McDowell mountain. We have swimming every single day in every single pool that are lap swimmers. Eldorado, I don't know offhand how many lanes we actually have down there. I'm sorry. I don't know the answer. I could follow up with you on that.

Vice Mayor Janik: Sure.

Bill Murphy: But those are regular lanes. Coronado high school uses that for their A.I.A. swim meets as well. So I don't think that there would be a problem in the instance on that. The pool at Chaparral is a

little bit shorter than the other pools we do have and we don't have as many lanes provided there as well, but Eldorado would be sufficient to do somewhat they need to do.

Vice Mayor Janik: Okay. Thank you.

Mayor Ortega: At this point, I could go to public comment and then we could return for -- well, let's ask for council questions. Go ahead, councilman.

Councilmember Durham: Mr. Murphy, you have indicated to us that Neptune was off -- also offered use at the cactus aquatics center for long course swimming. Have they accepted that? Not accepted?

Bill Murphy: They have not accepted it at this point, because just last week I knew that before we came tonight for this agreement that we would hear from the Neptune foundation. We sent every one of the teams their agreements. We haven't received anything back from them. What we would do is work out with them, the other groups what lanes they would use, the lanes they would use, how many swimmers we would have and we would be able to answer those questions right now we don't have that information totally from them.

Councilman Durham: Thank you.

[Time: 00:28:20]

Mayor Ortega: Councilwoman Littlefield.

Councilmember Littlefield: That was kind of my question also. Is there a way to share the longer lanes that they need for length swimming when they do swimming at cactus pool? Can they have certain days for one of the teams or hours of the day that they can use it?

Bill Murphy: So the Mayor Ortega, the process for the swim teams is that there is available time for them to -- for long swim during this period of time in June, July, before the kids go back to their high school programs so what we would offer to them is there would be space we would work in amongst our public swim and Scottsdale aquatics that they could do some different times that they would have on that. Again, we have not determined that time yet with them because we have not finalized our licensing proposal with them. We could certainly look at that.

Councilmember Littlefield: I would be in favor of that, thank you.

Mayor Ortega: Thank you, Mr. Murphy. At this point, we will go to public comment on this item and we have one in-person, Brian Easterly. Please approach. Thank you.

Brian Easterly: Yes, good evening, Mr. Mayor and city council, Brian Easterly, north 73rd street Scottsdale. And I appreciate the opportunity to come before you this evening and talk about this item and what I want to do, though I spend actually most of my time talking about the benefits of the partnership Scottsdale aquatic club.

I'm a nine-year resident of Scottsdale. But I'm also the proud parent of three swimmer at the Scottsdale aquatic club. So instead of talking about the merits of agreement which is an extension of a contract that's already been in place for the last several years, what I would like to do is talk about the 57 year partnership that's existed between Scottsdale aquatic club and the city of Scottsdale, because it's meaningful for S.A.C., Scottsdale aquatic club and it's very meaningful for the city.

I'm actually a little disheartened that we need to come and justify the relationship but I understand the item has been challenged and so it makes sense to have the discussion. And in addition to being in place for years and being a simple contract, and it's Mr. Murphy mentioned, two-thirds of those are city of Scottsdale residents.

I think what is really important, though is the talk about the benefits of the association between the two organizations. And over the last several months I have had the opportunity to meet with several of you and some of the other board members met with you to talk about those benefits and so what I will do is highlight four really briefly.

One is that Scottsdale aquatics club is exclusively Scottsdale. We only swim in the city-owned facilities. Out access to those facilities, we wouldn't exist. But the benefit to the city because of that is significant visibility. Most notably what has taken place over the last two weeks in Omaha, Nebraska which is the Olympic trials where Scottsdale aquatics club had fully ten swimmers competing at the highest level of competition in the country, and so that represents a significant opportunity for the Scottsdale name to be visible and to be present. That's just one example.

[Time: 00:32:37]

We have athletes competing at every level of competition, and we even have a national presence. I know my time is running low. So let me just quickly mark off those other three. One is we have a great partnership where our staff partnered with the city staff every day.

Most notably we have the summer rec program going on and our coaches are supporting city of Scottsdale employees in carrying out that rec program. Economic development, in non-COVID times we have up to 10,000 athletes in our meet over a 12-month period. That represents a significant economic benefit as the parents, come, eat and stay here during those meets. We have been able to provide up to \$150,000 in grants. So my ask is simple. Please continue the agreement that's been in place. Thank you.

Mayor Ortega: Thank you, Mr. Easterly. With that, I will close the public comment. Councilmember Milhaven.

Councilmember Milhaven: Thank you. I would like to begin thinking more broadly than this lease at hand and speak a little bit to procurement process.

So my understanding, the role of city council is whether or not we are willing to lease this space, potentially what the terms of contract may be, and we certainly have a responsibility to make sure all

the procurement practices are followed and we have an audit team that helps us keep track.

But city attorney, it's my understanding that it would be inappropriate for the city to decide who the winner of the contract was, that that would be in contradiction to very strict procurement laws; is that correct?

City Attorney Scott: Mayor and Councilwoman Milhaven, what is in front of the city council tonight is purely whether or not that council wants to adopt resolution, 12173 to commit to this non-revocable license agreement.

Councilmember Milhaven: That would be out of bounds.

City Attorney Scott: So if the council decided to disagree with this contract or not approve, it then the staff would go back and look at this process and this irrevocable license agreement and bring something else forward.

ITEM 12 – MOTION AND VOTE

[Time: 00:35:09]

Councilmember Milhaven: So in as much as the challenges at and are whether or not -- it's in the courts now and it's in the courts now to see if our procurement process is appropriate. I think we would want to lease out the lanes to youth groups and I will go ahead and make a motion to adopt resolution number 12173.

Councilmember Whitehead: I will second that motion.

Mayor Ortega: And I understand that would also include approving contract number 2021-078-COS as posted. Do we have any discussion on the motion and the second? Okay. Please register your vote. Thank you very much.

ITEM 33 – EXPERIENCE SCOTTSDALE DESTINATION MARKETING PLAN

[Time: 00:36:05]

Next we move on in the regular agenda, which is item 33, Experience Scottsdale destination marketing plan. The presenter is Karen Churchard, tourism and events director. And thank you very much Karen for presenting.

Karen Churchard: Thank you, Mr. Mayor, councilmembers. I'm your tourism and events director and I oversee the tourism bed tax funds and all tourism contracts, and special event and bill permitting, Old Town Scottsdale marketing and the creation and the promotions of Scottsdazzle, western week. I serve as the contract administrator for Experience Scottsdale as well as Scottsdale arts and the Scottsdale's Museum of the West.

Several items pertaining to our program of work were just approved on consent agenda. So thank you for that and they were pertaining to development funding and the strategic plan that is going to start that process thank you for the opportunity to present tonight.

The -- on the regular agenda, the tourism development fund and the fiscal year 2021 destination marketing plan that Scottsdale experience will implement per its destination marketing agreement with the city.

So in short, destination marketing is defined as a type of marketing that promotes a destination, whether it's a town, county being region or country with a purpose to increase the number of visitors to that destination.

In 1977, the city decided to invest in destination marketing through a public? Private partnership through the chamber of commerce. And in 2001, this function branched off into organizing Scottsdale visitor and convention bureau and who rebranded in 2016 as Experience Scottsdale. The most recent five-year destination agreement between the city and Experience Scottsdale was approved by council in August of 2017. And this would be the fifth year of a five-year agreement for fiscal year 2021/22.

This is defined in the agreement as marketing that provides for advertising, publications, digit and social media. Communications that garner publicity for Scottsdale in print, online, broadcast and social mediums, convention, sales and services that educate events planners and assists our hotels and securing space and also providing -- generating leads for them and then tourism, which provides information to travel agencies and tour operators.

Funding comes from the city's transient lodging tax, often referred to as bed tax. The current rate charged to hotels is 5% of their gross revenue and income. This rate increase from 3% in 2010, when voters approved prop in addition 200, that caused 50% of the total revenue to be towards destination marketing. And 50% for tourism-related event support, tourism research, tourism-related projects and other eligible uses.

[Time: 00:39:49]

Prior to 2010 on average, 67% of the total bed tax went towards destination marketing. The city designated the 50% through financial policy, 21a. In March 2018, ordinance which was 12% to general fund and 9% to event development, 4% to administration research, and 25% is other commitments as well as lease revenue and prior year balance.

So the revenues are forecasted by our treasure's division and I did update this slide in the packet and you should have a few of the slides that have the financials because I thought it would be better to show you a comparison to fiscal year '18/19, which was a whole year without the pandemic, compared to fiscal year '20/21.

So our revenues came in at \$24.9 million, compared to our adopted 21/22 budget of \$23.2 million. So

it's basically a little bit less. About 7.2% less than 2018/19. In terms of expenses, I just went through all the different categories, but just to compare your again fiscal year '18/19 over '21/22, we spent \$27.3 million in fiscal year '18/19, compared to the adopted budget that we will go into in '21/22. Obviously, we spent more in '18/19, but that was a \$5 million one-time transfer out for Scottsdale stadium development.

So in actuality, we are spending a lilt bit more money this fiscal year than if you took that item out of the '18/19 budget. In terms of the destination market agreement, the funding is derived through the tourism development fund which comes from the treasurer's division, and the marketing agreement is -- requires that each year, the Experience Scottsdale has to review the destination plan with the tourism development commission and requires your approval which is what we are here for this evening.

The tourism development commission asked the council to review at their April 20th meeting. So there's three components, the destination marketing plan provides a comprehensive plan to guide the work for fiscal year '21/22.

The key components are a recovery effort, traditional programming will continue expanding the key markets returning to more in-person missions and trade shows and the community initiatives that Experience Scottsdale would like to do in terms of diversity, equity and inclusion, immersive inclusion is something that we have been working on promoting our city venues.

[Time: 00:43:21]

The performance measures are based on goals that provide the greatest return on investment possible for the city. The current performance measures in this fiscal year were actually increased in the second quarter because they surpassed their goals for visitors and to the program leads and services.

The fiscal year '21/22 measures were established between the Experience Scottsdale staff and me, as the contract administrator. In terms of Experience Scottsdale's fiscal year contract budget, the city funding information is above and, again this slide was updated and provided to you. And because we are -- our true up payment is money that was collected the year prior that goes into the next year, I'm just going to compare the contract -- the 50% of the bed tax, which in fiscal year '18/19, was \$10.2 million and the treasurer division forecast forecasts that for fiscal year '21/22, it will be \$10.8 million, so a difference of \$600,000.

I will run through each of these items that have been updated with fiscal '18/19. So from a personnel standpoint, in fiscal '18/19, personnel's budget was \$5.2 million and for '21/22, \$4.9 million, and so it's a decrease. And the operating program of work as actually increased going from \$10.4 million in '18/19 to \$11.1 million in '21/22.

The contingency is an item that was a recommendation of the city audit and that's a new item that they are putting into their budget each year. The last column is the percentage of budget. Their personnel expenses are 30% of the budget. 3% is contingency. This is important because we have a -- an item in our agreement that requires them to keep their nonprogram costs within a comparative

level to other destination marketing organizations nationally, that have the same type of budget.

We information from destination international and they do a financial policy overview. The last study was in 2019 and it showed that Experience Scottsdale was 1% less in terms of personnel, 4% more in the administrative -- I'm sorry, 4% less, and 7% more in the program of work. So I think that's important for you to know as well. So in terms of planning.

Tonight, we are before you to ask for your adoption of the resolution that approves the marketing guide, the performance standard and the contract budget. There is a destination marketing assessment that last month council directed staff to do a third part national expert. We have hired clarity of place through a competitive bid process. We signed a contract last week.

We hope to come back to council in hopefully October in a work study session and then we are beginning our tourism strategic planning you approve tonight the funding for that so I will be working with researching next week to get that request for proposal out and we hope that Scottsdale's position in the tourism market continues to thrive.

With that Mr. Mayor and councilmembers thank you for the opportunity to give you an overview and hopefully you will adopt resolution, 12122. I'm happy to answer any questions. I want to mention that Rachel Sacco is on the Zoom call and Rachel Pearson is here in the Kiva tonight if you have any specific questions of them. Thank you.

[Time: 00:47:42]

Mayor Ortega: Thank you, Ms. Churchard. Let me ask something about the -- last year was very unusual. We were just coming out -- eye merging from the pandemic. And there is a number for a true up, which is about \$1.1 million and this may be unusual -- it is an unusual year and unusual events. Just generally speaking would we expect that they would be expended on the 70/30 same split that you described for the true up funds.

Karen Churchard: Actually 100% of the true up funds would be used primarily for the program of work. Because their budget has been pretty much established for the personnel side.

Mayor Ortega: So they may be able to target a new market or supplement a strategic market with the funds that, you know -- the cash flow that is available.

Karen Churchard: Mr. Mayor, yes, that's correct.

Mayor Ortega: I just point out, I don't see any requested to speak from the public. So I would open and close that. There's no public comment. Do any council have any comments or a motion? Vice Mayor Janik and then Councilwoman Littlefield.

Vice Mayor Janik: Karen, very nice presentation. Thank you. On the slide where you have fiscal year contract budget expenses if you go back to that and then the last column, percent of budget, personnel,

operating, contingency. Who prescribes those guidelines?

Do you look at national numbers and then Scottsdale, the city of Scottsdale says we're in agreement with it or does Scottsdale tell you it's supposed to be 30%, 67, 3%. How is that number arrived at, that percentage?

Karen Churchard: Mr. Mayor, Vice Mayor, councilmembers that number -- the percentages are shown as the calculations just on the budget that they presented, but to know that they are within the percentages standard in the marketing organization world with the same budget, it's actually -- it's interesting because it's actually 35% for personnel, 7% for admin and then 56% for program of work.

And in each number Experience Scottsdale is performing better in terms of more efficient in terms of personnel and the operating and the program of work.

Vice Mayor Janik: Could the comparable organization collect as much from their bed tax as we do. Are the absolute numbers greater than a comparable destination marketing organization in another city?

Karen Churchard: Mr. Mayor, Vice Mayor, councilmembers, it's a program, a profile study that destination international does. Destination marketing organizations internationally put in -- usually their CFOs put all the information in a database. They pull that report and study to show a comparative. So the DMO knows if they are in guidelines similar to other organizations. I believe the amount that we compare is of \$15 million to \$25 million budget.

Vice Mayor Janik: Thank you. Appreciate it.

Mayor Ortega: Councilwoman Littlefield and then Whitehead.

Councilmember Littlefield: Are we comparing apples to apples. How many employees dot other companies have versus Experience Scottsdale. And there's a lot of moving parts when you try to compare a budget to a budget and see if it's consistent with others. I saw on this that we accepted the next year for Experience Scottsdale. We need to do the true up. I don't have a problem.

[Time: 00:52:07]

I think as this current contract comes to a close, we ought to put out this business for public bid for other companies to look at. I think it's a lot of money. A lot of public money. I have no problem with what Experience Scottsdale is doing but I want to do the best business practices that we can here at the city and I believe that we should open the contract to competitive bids and see what else is out there. Thank you.

Councilwoman Whitehead: Thank you, mayor and thank you Karen for a good presentation. Thank you for allowing us two extra weeks to review this and the presentations you provided. I want to add one additional item is review of the previously do internal audit.

So for those listening and are interested, I think the city auditor performed an audit in 2017. So we'll be looking to see how that was -- the issues or the suggestions, how they were addressed and to that point, that percent contingency, I think that's really good. Can you tell me how the contingency, what will it be used for? Is this a maximum amount that you accrue? Can you give me a little more information on how Experience Scottsdale will manage that contingency?

Karen Churchar: Mr. Mayor, Councilwoman Whitehead and members, I am not -- I do not know all the details. I do know that they have a contingency and a reserve established. I'm not -- right now in our agreement, it does not state -- it was a recommendation, actually from our city auditor that that take place.

But that's a good point that there's no -- we haven't provided direction as to how much and how it would be used and at what point is it enough. So I think that's one of the good points that I think will come in this next year, in plans the new contract and requirements that that is something that we could establish with our treasurer's division and the city auditor and the city manager.

Councilmember Whitehead: Thank you.

Mayor Ortega: Thank you. Ms. Churchar, an administrative question and that is on the true up. Is it something that you would administer half the amount released now and after December 1st just because as costs accrue and could that be done or is that something administratively that you do? Because we do want that -- those funds to be spent for actual product. I'm curious on that.

[Time: 00:55:08]

Karen Churchar: Mr. Mayor, councilmembers, that right now in the contract, it talks about a true up, which it's over or under that comes through the treasurer's division from the tax and audit department. They provide that information to me and to Experience Scottsdale.

Generally, over the course of this contract that is paid or owed back to the city in August. Since 2010, there's only one instance where the true up was an overpayment to Experience Scottsdale, which unfortunately happened last year. That was resolved.

The way we have been doing it is in August, we can look at the contract if there was a different way that the council would want us to expend those funds, but it's been done in August.

Mayor Ortega: It's an unusual. It's a large amount. Obviously, the expenditures are not spent immediately, and just consider that as far as whether or not -- I know we have the funds. It's just a matter of again, making sure that those are positive outcomes which I'm very impressed by their performance as well. Councilmember Milhaven and then Caputi.

Councilmember Milhaven: Thank you. Just as a reminder, when we were doing last year's budget, it was the very beginning of COVID and we were absolutely had no idea what was going to happen and we

were as conservative as we could possibly be with everything and thank God we did it and it was not as bad as we feared, but we had an usual true up because we were usually conservative in what we thought the impact was going to be on bed tax dollars.

So for folks who are listening, we expect we will get this much in bed tax dollars we make payments over time. If at the end of the year the forecast was wrong, we owe them and we have that true up. So it's an unusually large amount because we were unusually conservative given we were at the outbreak of COVID. I know all of my colleagues respect and understand the value of tourism, they said that. Tourism is really the goose that laid the golden egg because thanks to the incredible tourism, all of our sales taxes are lower because of the sales tax that we get from the tourists.

Scottsdale has done an amazing job as promoting this as a destination went and we benefit from it, with the tourists driving through but we can put up with that for all the other benefits we get. I know that the community has a lot of questions about Experience Scottsdale and how they manage and I think that even when we think we do a good job, we need to challenge ourselves to say what more? What else? How can we be better?

[Time: 00:58:11]

I know we have talked about this already tonight, but I'm really excited about the third party industry expert reviewing our contract, comparing them to other destination marketing and how does the program expense compare with the salary expense, and are they in line?

We need talents individuals at Experience Scottsdale who will do a quality job for us and it's important that we balance that too and be thoughtful. I'm looking forward to the internal audit, it will tell us that everything is in line and then the other thing -- as city council we want to make sure that the citizens are getting the bang for their buck for the tourism that's certainly within our responsibility but I also remember that hoteliers tax themselves and there's a community board that oversees Experience Scottsdale, we have people in the hotelier industry who want to make sure that it advances themselves the best that they can and I think that's another check and balance where he can be confident that they are doing a great job so over the next year when we get all of these reports in and we negotiate the contract.

ITEM 33 – MOTION

[Time: 00:59:28]

I want to thank Experience Scottsdale for the great job you have done, and look forward to a much better year in the future. So with that, I would like to move to adopt resolution number 12122.

Councilmember Durham: Thank you.

Mayor Ortega: And I know Councilwoman Caputi.

Councilmember Caputi: I will end up agreeing with all of my colleagues, but I think it's a moment to take a few minute to thank you for the wonderful job you are doing. You are in the fifth year of a five-year contract and, of course, we will go back and look at all the details when we have time. I think is the worst possible time to hold up funding to Experience Scottsdale. We all know that occupancy levels are still way below 2019 levels and not expected to return any time soon. Business travel is not expected to return until 2024.

We are still coming out of a pretty bad time and we definitely need to keep moving forward with Experience Scottsdale is doing such a great job of. I want to remind everyone at home that as Councilwoman Milhaven pointed out, tourism is vital to our economy and it's still struggling.

A couple reminders, we had an estimated 11 million visitors in 2019, which accounted for an economic impact of over \$3 billion to our community. Privilege tax collections from our debtor's account for a quarter of our total sales and bed tax collections. And those sales tax collections are what make our own taxes, property taxes so nice and low here in Scottsdale.

Tourism industry is also contributing greatly to -- we had 26,558 jobs I believe I was told are attributed to -- in our community attributed to tourism. So thank you again. We have a contract with Experience Scottsdale, you have more than fulfilled what we have asked you to do. I heard from a lot of hoteliers.

They said as they have been reducing staffing over this last year and have had little to no marketing budget, Experience Scottsdale has been their tales force and the sole marketing outreach and it's helped hour hotels, our resorts and our businesses which translates into revenue for our city. Again thank you.

I was going to read a couple of glowing reports from the hoteliers. There is a complicated contract and when I went out and spoke with people in the community, all I heard were raving great things. We have given you a task and you are on your task. I don't know why we punish good performance I'm right there with them.

ITEM 33 – VOTE

[Time: 01:02:32]

Mayor Ortega: Is motion is to adopt resolution 12122, the marketing guide and the contract number 2017-079-COS. So please register your vote. Thank you very much.

ITEM 34 – WINFIELDS CONDITIONAL USE PERMIT AND LIQUOR LICENSE

[Time: 01:02:56]

Mayor Ortega: We will now move on to item 34, which Schwinn field's conditional use permit and liquor license, it's case number 12-up-2020 and number 3-LL-2020. The presenter is Greg Bloemberg, project coordination liaison and Ashley Marsh with Gammage and Burnham.

Greg Bloemberg: Thank you, Mayor and councilmembers, for Winfield's bar CUP. It's good to see everybody in person for a change. The case number is 12-up-2020. The site is located in the entertainment district, just south of Camelback Road on saddle bag trail. Close-up view of the location. The applicant recently through the development review process to get a new building approved at this location.

So this builder here will be demolished and replaced with a new building. This is the site plan proposed. You can see the new building here. Also included as part of this development is some pedestrian improvements out front. They will put in some wider sidewalks out front and change the angled spacing to parallel spaces for parking purposes and have some parking in the back and a patio along the street along saddle bag.

This is the floor plan not too easy to read. This is first floor. This is a combination of restaurant and bar on the first floor. And the second floor is primarily a proof deck hear with a bar and rest rooms and storage. So I want to go through the parking requirements. The total parking required for this use is 34 spaces. And the application is providing 35 spaces total and that's done with a variety of options.

There will be through on site spaces one the property is redeveloped. There is p3 zoning which allows for parking credits based on the amount of land that's zoned p3. There's about 3,000 square feet. So they have 10 and they will do five in lieu through our process. They have assurances of remote parking at two locations within 600 feet of the establishment for 17 physical spaces. Staff has confirmed the availability of those spaces as well. And that concludes my very brief opening presentation. If there's any questions for me, I will be happy to answer them, otherwise I will turn it over to the applicant for their presentation.

Mayor Ortega: Councilwoman Littlefield.

[Time: 01:06:10]

Councilmember Littlefield: Thank you, mayor. My biggest concern with this was parking. When I read this through and I said, wait a minute, they need how many spaces and they have three? That's what causes the parking problems to begin with this Old Town and downtown and now it's starting in the bar district area. The 17 remote spaces that they have. Is there going to be signage or direction or somehow to let people in their cars where you go to park? Is it the parking lot across the street? That looked private. So those are the questions I have. In lieu, I'm not real fond of in lieu parking.

When you need 33, 34, 35 spaces, and you have got three, there is something there is needs to be taken care of. You can't park in an in lieu space. I'm sorry. It just doesn't work and I'm afraid what will happen is if this Winfield's becomes popular and is successful, which I certainly hope it will be. The customers will park in other people's places, other people's spots and other parking areas, which will then hurt those businesses because they don't have the parking that they need.

I think this is the biggest concern I have with this entire issue. I actually drove by this afternoon before I came here and looked at the building. I'm glad it will be redone. And I was wondering, is some of that

parking going to be on the lot across the way and down at the corner? There is a lot there. It looked private to me, are they renting it? Will they be able to use some of those spaces? Where are these remote spaces? And how do people know to get to them?

Greg Bloemberg: Mayor Ortega and councilwoman little field, the applicant has a presentation. I'm sure they can go over it with you in detail of what they intend to do in terms guesting people to those spaces.

There's nothing in the agreement that requires signage to be posted. They just have to be available for this establishment. What was your second question? I'm sorry.

Councilwoman Littlefield: The spaces -- are some of the spaces across the street in the parking lot on the corner or is that just private and they can't use it?

Greg Bloemberg: All the spaces are privately owned by businesses in the area and they are all, I think off of civic center, is that correct? They are 600 feet of the establishment, which is the requirement of the ordinance.

Councilmember Littlefield: Perhaps you can go into that in more detail.

Greg Bloemberg: Okay.

Councilmember Littlefield: Thank you.

[Time: 01:09:01]

Mayor Ortega: Thank you. We will hear from the applicant. Ashley Marsh of Gammage and burn.

Ashley Marsh: It's a pleasure to be in front of you this evening. I apologize, I'm a little rusty.

This is my first public hearing back and it's great to be in the Kiva with you all. Thank you so much for having us. Ashley marsh with Gammage and burn, 40 north central and we wanted to walk through a couple of items.

First, I really wanted to introduce the developer and the owner of this project and I will probably do a horrible job introducing him because he's been in Scottsdale since 2003. He's had several successful concepts that we are all familiar with and has been a great corporate citizen to the city of Scottsdale. Jocques Concepts is the owner and the developer behind this.

These are some of the concepts, Dieigo Pock and Hot Chick and Hotel Adeiline. And I wanted to point this out because this is a known developer and a known owner, and a great Jacques concepts is looking to develop a new concept called Winfield's which you are familiar with and I know you are students of your staff report. And I will try not to go into too much detail.

I wanted to point out the location of this particular concept because not only is it in the entertainment district but it's in the heart of the entertainment district and it's surrounded by an active area that I frequented much more in my 20s than now in my mid-30s. But just wanted to point out that Winfield's is going to be at the end of a very popular block near several night clubs and those are notably pretty pleased, bottled blonde and Casa Amigo and up and down Indian plaza where much of the Scottsdale night life is concentrated.

And I thought that was important to mention, not only to put this particular concept into perspective, in terms of the entertainment district, but where specifically in the entertainment district. You did see that this is a modest sized two parcel lot. And the current conditions which Councilmember Littlefield mentioned, could use some TLC, a facelift.

So we are excited to bring a new concept to this location, demolishing both of those buildings and really activating the streetscape at this particular location where it's already active in much of the surrounding area.

So Winfield's itself is in an active location but the concept is a little different and that's not to those bigger box nightclub, dance clubs, again that I might have frequented in my 20s, but not so much six months pregnant in my 30s. This is more of cocktail lounge. It's to enjoy a nice dinner, enjoy a nice conversation and have an intimate conversation. It will feature three different menus and it will be available from 4 p.m. to closing time in each of these different locations.

[Time: 01:12:23]

So Winfield's is a full service restaurant. The white portion that you see is bodega that's a burger bar and then the roof top area which we discussed. Another rendering just to show you the lush landscape and some of the improvements that Winfield's would be bringing to go this part of saddle bag, that Greg had mentioned. This is a conditional use permit. We are not asking for zoning. We are asking for use permit and recommendations for a liquor license.

And you did have a great staff report it was very robust and I will not go through all the criteria but there's several criteria that basically asked whether or not this proposal would be detrimental to the public, health, safety or welfare, for this particular area at this particular site.

And it ask the council to consider noise, smoke, odor, dust, vibration, volume, traffic, and several of the characteristics of what is already in the area and because we are a bar in the downtown area, there's an additional vet of criteria that planning commission has vetted but an additional set of criteria that need to be analyzed and had a successful outcome at planning commission. Really the heart of all of those tests go to is this use compatible. And, again, I will ask you to focus on the specific space that Winfield's is located within the heart of the entertainment district.

It's adjacent to several popular bars and a night life and our more modest cocktail lounge will not contribute negatively to the surrounding area or create an additional impact. We are probably lesser use than what's already existing there, give than we are not a night club. We do not have a dance floor. We

are not proposing live entertainment, and there are stipulations to that effect. Again, another criteria we are within 500 feet of the nearest single families property.

I would like to remind this council that that's actually across from Camelback Road and is not in the immediate vicinity to ours. There's quite a bit of traffic going back and north. In addition to the nightclub seen, which we are not again. The nearest single family zoned property is a distance away.

One thing that came out of planning commission and out of DRB more specifically was about sound mitigation and what we would do to make sure that our count was mitigated for lack of a better word for our particular roof top patio and something that we have stipulated to and we'll move forward with is putting a noise barrier around the northern perimeter of the property.

[Time: 01:15:37]

I wanted to bring this rendering to council that we thought critically about what that looks like and included an additional glass paneling on the northern side to mitigate any noise impacts and this is an example of what this looks like on the second floor.

It's 6 feet 6 inches above the ground floor of full mitigation on the wall and the glass paneling. Just to give you a perspective of what the height looks like and our patio in relation to any adjacent building, the very tippy top of any mechanical screening for us is 30 feet and the adjacent building to the north, which is part of the mint collection is already zoned for 36 feet.

So our entire property would be screened from future development that's already been approved. So summary of the request, this is the right concept, the right location, the right operator. We satisfied all the criteria.

This is in the heart of the entertainment district with existing uses of even greater intensity. There's no disruption to the parking or the traffic patterns to address Councilwoman Littlefield's comment about parking. We do acknowledge that we're using a variety of methods to get to the 35 spots. But we're not asking for any deviation from the zoning ordinance.

Those p3 credits are available to applicants for properties like ours to protect those properties to make sure they could develop with a 3,000 square foot footprint, there's no way that you could on site accommodate a 35, 30 spots no matter what your use is. So using the p3 credits is what it's intended for. We're not a hotel or a multifamily use or residential use where people are staying for extended periods of time. This is a very migratory, pedestrian friendly area.

People are dropped off in an Uber, a Lyft -- a luber, a new ride share and they are dropped off for dinner, have a good time, and leave the entertainment industry or walk to another destination. So the p3 credits are really important to these smaller parcels so that they can have a development option moving forward. With respect to the 17 credits an I actually might have a slide. There we go. -- with respect to the remote spaces they are 600 feet. We will enter into a valet agreement.

So that people know that those spaces are ours and then bring them back at the end of the evening. So there will be a valet service available to access those 17 spaces. And then those three on site parking spots creates was in combination working with planning and saying, okay, parallel parking is something that's important to the city moving forward. So we have our three parallel parking spots in the front and then in the back, we have three spots there was well.

That was a combination and Councilwoman Milhaven can tell you how beat up we got at DRB about some of those items but that was a fluid conversation. Again, this is about the right user, the right location, and the right operator and we would respectfully request. And Greg is coming behind me because I think he had one more comment to add and I will let him do that.

[Time: 01:19:15]

Greg Bloemberg: Yes, my apologies. Mayor Ortega, Vice Mayor Janik and councilmembers, there was an error in the stipulations, stipulations number four specifically and in the public safety plan. The public safety plan and the stipulations indicate that this establishment would close at midnight on Sunday evenings. That was not the intent. The intent was to stay open until 2:00, like the rest of the days of week.

So if there is a motion to approve this case, I would ask the council to include an amendment to the hours of operation on Sunday from 10 a.m. to 12 a.m., from 10 a.m. to 2 a.m., so we can get that cleared up. Thank you.

Mayor Ortega: I see Councilmember Durham and then Councilwoman Whitehead. Stand by.

Councilmember Durham: Is there anything in the documents, the stipulations, et cetera, that would obligate you to use the valet parking service? It seems to me that that's very critical to your parking plan.

Ashley Marsh: Mayor, councilman Durham, there is not a stipulation for the valet agreement. The parking ordinance allows us to use a variety of different methods to do, that to have the 600 feet is the encompassing.

So we are meeting the requirement in that respect. We turned into some agreements to the city of Scottsdale to prove up that parking but I don't believe there's a specific valet stipulation.

Mayor Ortega: Councilwoman Whitehead.

Councilmember Whitehead: I will stick to the parking subject for right now. On the -- where does the valet take the cars?

Ashley Marsh: Let's see. Hopefully I'm back here. So mayor, Councilmember Whitehead, thank you very much for that question. There's some red boxes indicated on this screen if you can see this, and I'm trying to see the lower left-hand side portion where the 17 spots or illuminated. That's where our

parking is situated. There's two spots.

Councilmember Whitehead: Are these private parking lots that you are paying the owners of these parking spots.

Ashley Marsh: And I'm looking over at Brian. He's shaking his head yes. He's the owner/operator of this and it is a private parking that we are paying for.

Councilmember Whitehead: Okay. And so they are not shared with another entity in the area?

Ashley Marsh: Daytime use. I apologize I'm looking --

Councilmember Whitehead: That's fine. We're pretty casual.

Ashley Marsh: Thank you.

Councilmember Whitehead: So they are private parking spaces and they are available basically by valet. Looking at that, I did not spend a lot of time here. I did spend some time the u during the weekend is closed for cars. How do people go to the other establishments right now since there's no cars allowed inside the U.

[Time: 01:23:04]

Ashley Marsh: Mayor and Councilmember Whitehead. It is very pedestrian friendly and we do have this marked off here to show that Indian plaza and saddle bag are restricted after 10 p.m. If you have been out there at any point in time, there's cars that are dropping individuals off and then pedestrians walking these specific areas to get in from each of the establishments.

Councilmember Whitehead: Okay. Can you bring up the diagram that showed the location. Yes, that one. So I do have noise concerns and we did speak on the phone. Looking at it from this perspective, I still have noise concerns. So the property is located south of the mint. So the mint will block directly north, but your diagram points to a problem in that neighborhood and the historic neighborhood to the north of that, have numerous complaints about basically roof top bars and this does have a roof top bar. I appreciate the 6'6" glass balance doe any. I guess that's from the roof top bar.

Ashley Marsh: I apologize it's a little hard to read, because it's minimized, but just to clarify, the second floor would start at 14 feet and then there's masonry, the block, which you see, right where it says bodega burger, that's where the start of the second floor is and then if you go up, it goes up 20 feet. So it's another six feet of blocking at that point. So you have pretty much the full floor blocked off. You have six to seven feet. That's a blockage at that point and the collective immediately in front of us goes up to 36 feet. So we would be completely screened and then just as another example, so the mint -- the site plan shows if I can get there, in relation to Winfield's we would have the 36 feet immediately in front of us and then kitty corner, that plan would be up to 96 feet.

So -- so our proposal would really be blocked completely off Camelback Road from any other development.

Councilmember Whitehead: That second -- this picture helps. Okay. Just because I still don't understand when you are standing on the outdoor rooftop bar, the class wall is 6'6", we have the Caesar republic hotel.

They had a stipulation about speakers, location of speakers S. that included in this? And the speakers had to be under a certain mark. I think under 5 feet so that the noise came from the bottom, not from, like, big, tall speakers.

Ashley Marsh: Mayor, Councilmember Whitehead, thank you for that question. There's a stipulation. There's three stipulations in our case regarding noise mitigation and one of them is that the speakers are downward facing to put sound back into the entertainment district.

[Time: 01:26:33]

Councilmember Whitehead: So they are downward facing, but are they also located down below. Are they up high or located below, perhaps by the masonry wall? I guess I have to ask staff, it made some residents happy when we were --

Mayor Ortega: Let me ask attorney Scott for some information.

City Attorney Scott: Stipulation number seven provided with an entitled sound mitigation that the applicant shall coordinate with current planning staff to provide sound mitigation along the northern edge of the roof deck to deflect noise away from the single family residential area to the north. And then number eight provides external speakers which I think more directly answers your question, any external speakers on the roof deck or on the patio shall be directed downward and in toward the building.

Councilmember Whitehead: Yeah, I think that's very helpful because we -- we don't -- like I said we have a beautiful historic neighborhood just north -- mean, north of the immediate and we receive numerous complaints. I mean, I want people outside. I like the idea of roof top bars. I want to make sure that we are not adding to the problem versus just saying the problem already exists so what the heck? So I think I'm satisfied for the moment. Thank you.

Mayor Ortega: Councilmember Milhaven.

Councilmember Milhaven: Thank you. I'm also concerned about noise, but I would also point out that since these guys are serving alcohol our noise ordinance would apply here and it's 68 decibels which is about the sound of a vacuum cleaner at 150 feet and the closest residence is farther than that. When we include the bass ratings, it would apply here as well.

So I'm comfortable that between the stipulations and the noise ordinance and the revisions we plan that

the neighbors won't be affected. I understand Councilwoman Littlefield's concern about three spaces versus 35, but I can't imagine any use in this space is going to be able to provide more than three spaces, but they would certainly demand more than three spaces.

And so it's sort of a matter of if we want to see these tired old buildings replaced with these beautiful pictures that we have seen, they are in compliance with our current parking codes and meet the requirements. The comment was made about closing those streets.

This is a unique part of our community because streets good et cetera closed, cars don't have access. People are Uber and Lyfting, and we have two huge apartment complexes and people are walking and this is actually the most pedestrian friendly, most walked area in our city. So I feel a whole lot less concerning about parking not being right there. I will make a motion to adopt -- before I do that.

The other thing I did share DRB, when this applicant came forward and DRB worked them over pretty good. And I think they had to come back twice. And so I want to thank the applicant forever their persistence and their flexibility because, you know, I think this is a real -- the DRB did an amazing job making sure this is quality project, and the time and money that the applicants need to put in to get to this point is quite astounding.

ITEM 34 – MOTION

[Time: 01:30:10]

And so I think we need to recognize that and that this is entirely consistent with the uses in this area. So I want to make a motion to adopt resolution number 12185, approving the conditional use permit. And make a recommendation for approval to the Arizona department of liquor licenses and control for a series six bar license.

Councilmember Caputi: Second.

Mayor Ortega: Okay. And I see two council people wishing to speak and I will point out that the staff are did point out that stipulation number four would have to be included in a 10-2 period on Sunday.

Councilmember Milhaven: Yes, thank you for the reminder.

Mayor Ortega: What do you mean by yes?

Councilmember Milhaven: Yes, I am willing to amend my motion to say yes, they will be open from 10 a.m. to 2 a.m. Monday morning.

Councilmember Caputi: Second.

Mayor Ortega: A motion and a second. I see Councilwoman Whitehead and Councilwoman Littlefield.

Councilmember Whitehead: Yes, I forgot, and Councilwoman Milhaven brought that back to my attention. The hours having a deejay, until 2:00 in the morning on Sunday, is -- I guess this is a question for staff. Is that pretty typical? Do all of the entertainment operations in the area stay open until 2:00 in the morning on a Sunday night?

Greg Bloemberg: Mayor Ortega, Vice Mayor Janik and Councilwoman Whitehead, that's quite common but there are some establishments that may close a little sooner but it's not unusual for an establishment to stay open until 2:00, even with live entertainment.

Councilmember Whitehead: And yeah, and in the past, of course I was overridden. In the past, I had sided with staff's recommendation on the last roof top bar that the -- that the music -- that there be earlier hours. So this was not a recommendation. I guess give me some on how cocktail bar is different than a club, I get it without the dance floor but you still have a deejay. Can you give me a little more comfort?

Somehow the Sunday 2:00 in the morning. 68 decibels may not be loud music, but when you hear it in your historic home at 1:00 in the morning, it matters to us. This idea of it being a quiet cocktail place but the deejay doesn't jive with me with that. I want to make sure I have a sense of what is going on at 2:00 in the morning on Sunday. I will let the applicant.

[Time: 01:33:06]

Greg Bloemberg: I will start off first. Mayor Ortega Vice Mayor Janik and Councilwoman Whitehead, this application is only for a bar, there's no request for live entertainment. I will let them give any clarification on this, but there may be somebody playing music at this establishment, but there is no request for live entertainment included as part of this use permit.

Councilmember Whitehead: I understand this. I read it there's a stipulation that prohibits any live music. So would that prohibit any live music? Is that all inclusive?

Greg Bloemberg: Mayor Ortega and councilman Whitehead, yes, it would prohibit a deejay from interacting with a crowd or live music.

Councilmember Whitehead: Obviously, I don't spend enough time at the bars. When you say it prohibits the deejay from interacting with the crowd, explain that to me.

Greg Bloemberg: You may have somebody having an event where the deejay is encouraging the crowd to interact with and dance and making a lot of noise. There could be somebody that's just playing CDs or playing music channel that just happens to be a deejay. There's a difference. So there could be somebody doing that. What live entertainment is, if that deejay is interacting with the crowd through a microphone.

Councilmember Whitehead: That makes sense, Greg. That makes a lot of sense to me. Thank you. And do you want to add anything to that?

Ashley Marsh: Mayor Councilmember Whitehead, please, exactly. There's no microphone component to the music. So in a hip hop or night club, you might have a deejay more interacting with the crowd and more of a hype plan, so to speak. But the deejay here is more of a true disc jockey playing music and I think it speaks to Ryan's track record with all the concepts he's had. He never had an issue with any noise violation or complaint. So he's one of the good operators in the music is controlled, but he couldn't exceed a decibel level.

Councilmember Whitehead: Thank you. I appreciate that. Thank you so much.

Mayor Ortega: Councilwoman Littlefield.

Councilmember Littlefield: That answers my question what you just said and I appreciate that very much. We do get a lot of people in the older homes across the street that are having problems with noise. And so the fact that you have that set up so that they should not have that kind of an issue, I really appreciate that. That's very good.

[Time: 01:35:43]

The only other comment I have, you know, I watched the D.R. meetings even when I don't chair them and I watched this project go through several times, I think. And the D.R. did a very good job but I would also like to say, you guys did a good job too. You worked with them, and you modified a lot of what you are doing and you made it a lot better. I really appreciate that. It's good to see when it works well.

The only -- one more comment and then I will shut up and we can move on and that is if you can, if you can find a way to do it, I would really, really like for you to get more parking maybe even under the valet parking conditions that you have so that you don't infringe on the parking of the other people near you, because then we're going to hear about that if you do. Thank you.

Mayor Ortega: One more item for the record, there was no public comment. So I would close the public comment. And then go to Councilwoman Caputi.

Councilmember Caputi: Thank you, mayor. Just one more comment. When I first saw the item had been moved from the regular to -- from the consent to the regular I was a little, you know, mystified about what the issues were but I'm glad, actually that we have gotten a more thorough explanation my colleagues have brought up these points because they are very important and we're the people would have to hear the complaints when they come after the fact.

I do appreciate that you have addressed all of these issues. I think the use is completely appropriate. We all have to remember that this is the entertainment district. And we're going to have entertainment. The parking doesn't make me nervous because we are trying to encourage a more walkable city and I'm very excited about this and I just want to underscore the point that we do have an applicant here who has a long history in our city. He's an excellent corporate citizen.

He has other successful businesses in our downtown area. He's not planning on going anywhere and he's obviously very excited to move forward and continue to contribute and do things correctly and be here for the long haul and I don't think that can be underscored. So thank you for bringing us this project and let's finish with our vote. Thank you.

ITEM 34 – VOTE

[Time: 01:38:00]

Mayor Ortega: Good. In conclusion. I like the parallel parking and the wider sidewalks. So with that, we have a motion and a second. Please register your vote. Thank you. Good luck with your project.

**ITEM 35 – PUBLIC HEARING ON THE CDBG PROGRAM FY 2019/20 ANNUAL ACTION PLAN
AMENDMENT AND ALLOCATION OF CDBG-CV3 FUNDS**

[Time: 01:38:24]

Mayor Ortega: Our next item is 35. The public hearing on the community development block grant, CDBG, program fiscal year 2019/20 annual action plan amendment and allocation of CDBG-CV3 funds. The presenter is Irma Hollamby community assistance manager.

Irma Hollamby: I'm here on behalf of the community assistance office. So this is the time set aside for the public hearing regarding our fiscal '19/20 CDBG annual action plan. This is for the purposes of accepting an allocation of CDBG funds from the U.S. Department of Housing and Urban Development, and the use of those funds.

The community development block grant is designed to reinforce several different value of community development to design and implement strategies tailored to their own needs and priorities. This is a noncompetitive grant to cities over 50,000 in population, eligible expenditures include public services, housing activities, public facilities, and economic development: A minimum of 70% of the funds must be used for low to moderate income households and expenditures must be consistent with the five-year consolidated plan which was adopted by this body about one year ago.

Congress provided about \$5 million in the cares act for the community development block grant. Even, again, at least 70% of every grant must be expended on activities benefiting low to moderate income persons by providing housing a permanent job, a public service or access to new or significantly improved infrastructure.

Over the last year, the city of Scottsdale received two tranches of CDBG cares funds and for the purposes of today, we will refer to these tranches as cv1 and cv3, council accepted first tranche in the amount of \$709,218 back in September of 2020.

A vast majority of this funding was used to fund the homelessness programming such as the hotel program, and it continues to fund homeless programming such as the day relief center. Today we seek

your approval to accept the second tranche referred to as CV3 in 1.8 merchandise and for your support in allocating the funds as we will outline.

So we are requesting that of the \$1.8 million, 1.3 is set aside for programs and services and \$470,000 for planning and administration. Earlier this year, the human services commission was facilitated through the competitive fiscal year '21/22 CDBG grant funding process.

[Time: 01:42:13]

As with most years total of the CDBG proposals received far exceeded the dollars that were available. The funding recommendations we offer to you today include funding those '21/22 CDBG proposals. Equals 216,626 of the \$1.8 million we were allocated. Additionally, the C.A.O. has to Paiute park and office enhancements to ready our office for opening to the public and the C.A.O. would like to purchase portable A.C. units for the benefit of low to moderate income Scottsdale residents who might find themselves needing this particular service.

Finally, the CDBG program allocates \$470,000 to fund in our administration so that's staff and overhead. So today we seek your adoption and approval for 12130 to approve community development block grant program fiscal year 2019/2020 annual action plan amendment and the allocation of CDBG-CV3 funds and authorize of the use, the award of federal CDBG-CV3 funds for eligible programs and services as outlined in the annual action plan to execute amendments to affected contracts, a substantial amendment to our fiscal year '19/20 annual action plan, approve a budget transfer of \$1.8 million to the cares act CDBG-CV1 center and authorize the city manager to take action to further this resolution. This concludes my presentation. Thank you for your time and.

Mayor Ortega: Thank you, Ms. Hollamby. I will open the public comment. We have not received any. So I will close the public comment. Any questions from the council before I request a motion. I will be closing the public hearing and then entertain a motion. Councilmember Durham.

Councilmember Durham: Thank you, mayor. The \$470,000 in program administration seems very, very high to me. Are we hiring additional staff? Does that number include additional staff because it just seems like a very large number in proportion to the program services that are being granted.

Irma Hollamby: Mayor, city councilmembers, councilman Durham, so the \$470,000 is authorized by HUD, and no, we do not mean to hire any additional staff, but rather for the additional programming, we would incur overhead and indirect costs for delivering some of this programming. We can also use the funds to -- how would you say? Towards program operation and administration, which this office has a history of doing, of using administrative funds to fund program costs.

Councilmember Durham: So is that a number that is authorized by HUD or --

Irma Hollamby: Yes.

Councilmember Durham: Created by HUD. Does HUD tell you x percentage of it has to go towards

program administration?

Irma Hollamby: Mayor Ortega, councilmembers, councilman Durham, so there is a formula that is applied to funding allocations where we derive the program administration fund number.

[Time: 01:46:25]

Councilmember Durham: And I'm still a little confused on what that is going to, if that's not going to additional staff. Because it seems to me that the staff that we don't have if we are not hiring additional staff, they would be doing at administration, and overhead as part of their normal jobs. It just seems like a very high number.

Irma Hollamby: Mayor and councilmembers, councilman Durham, so, for example, when -- some of the programming that we plan on using, the \$1.8 million on is to do infrastructure improvements to Paiute park, for example.

The -- the \$430,000, we can use some of that money to, for example, create a master plan for Paiute park or the architecture costs or the planning costs that go into developing what we will improve at Paiute park.

Those are subject matter expertise that we don't have in-house and we have to use that money to hire externally.

Councilmember Durham: So if you hired an architect on the Paiute, that would go into the \$470,000, rather than the 1,000,120 that's designated for Paiute park?

Irma Hollamby: That particular expense would fit in either one of those buckets.

Councilmember Durham: In either one?

Irma Hollamby: That is correct.

Councilmember Durham: Okay. That still leaves me a little bit in the dark about exactly what the program administration is going for.

Irma Hollamby: Mayor, councilmembers, I will be happy to follow up with what -- how exactly we arrived at that number.

Councilmember Durham: All right. I would appreciate that.

Irma Hollamby: Thank you.

Councilmember Durham: Thank you.

Mayor Ortega: Well, thank you. I see no other comments. I would comment that sometimes there are all hard costs and soft costs. Some are engineering and designed or such.

ITEM 35 – MOTION AND VOTE

[Time: 01:48:44]

Mayor Ortega: And with that, I would move -- I will close the public hearing, and myself will move to approve resolution number 12130 authorizing and approving the use award of federal CDBG-CV3 funds for eligible programs and services associated contract amendments annual action plan amendment, budget transfer of 1,816,626 from the adopted FY budget '21/22, future grants budget and/or grant contingency budget to the cares act, and the city manager or designate to further the resolution.

Councilmember Littlefield: I second.

Mayor Ortega: We have a motion and a second. Any discussion? Please register your vote. Thank you, unanimous. Good luck.

ITEM 36 – FISCAL YEAR 2021/22 PROPERTY TAX LEVIES

[Time: 01:49:49]

Mayor Ortega: We will now turn to item number 36, which is the fiscal year 2021/22 property tax levies. Which is Gina Kirklin, enterprise and finance director.

Gina Kirklin: Good evening mayor and councilmembers. On June 8th, we held a public hearing on fiscal year '21/22 property tax levies and rates. At that time, state statute requires that hearing be held at least 14 days prior to actually assessing the levies and fixing the rates.

This summarizes the holistic view which includes new construction and the secondary portion. The secondary property tax can repay debt service and outstanding obligation bonds. Fiscal year '21/22, we plan to levy \$35.1 million which is \$.2 million more than 2021. But because property values went up, the rate have remaining relatively constant at 50 cents per \$100 of assessed valuation.

This includes the planned issuance related to bond 2019 program, and, of course, staying below the promised rate of 57 cents. The primary levy will increase \$.2 million to 35.1 million. It is equal to last year's levy without tort claims which becomes our new base.

Plus the current and prior year's 2% statutory allowance, plus new construction, and new tort claims. The primary property tax rate will decrease from 5 cents 3 cents to 50 cents, to achieve our levied amount. So with the relatively constant secondary rate, and 3-cent decrease in the primary rate, our total rate in the fiscal '21 '22 will decrease from \$1.03 to \$1.01 per \$100 assessed valuation.

Again, because the property values have gone up in Scottsdale in overall combined property tax rate

decrease is possible despite the inclusion of current and prior year 2% statutory allowance and tort liability claims.

So the action tonight is to adopt ordinance 4504, assessing the primary and secondary property tax levies and fixing the rates. And that concludes this brief presentation.

Mayor Ortega: Thank you. For the record, I see no requests for public comment. Are there any questions? If not, I'm ready for a motion.

ITEM 36 – MOTION AND VOTE

[Time: 01:52:45]

Councilmember Whitehead: I make a motion to -- I think I'm looking -- to adopt, the fiscal year 2021/22 property tax levies ordinance 4502, for the primary and secondary property tax levies and fixing the primary and secondary property tax rates.

Vice Mayor Janik: I second that.

Mayor Ortega: Thank you. We have a motion and a second? Any discussion? Seeing none, please register your vote. Thank you very much.

ITEM 37 – FY 2021/22 STREETLIGHT IMPROVEMENT DISTRICT PROPERTY TAX LEVY

[Time: 01:53:25]

Mayor Ortega: We'll now move on to item 38. We save the best for last our monthly financial update. I'm sorry, 37? Excuse me. 37. Fiscal year 2021/22 streetlight improvement district property tax levy. Again, Gina Kirklin enterprise and finance director.

Gina Kirklin: Thank you. On June 8th, the city also held a public hearing on the fiscal year '21/22 municipal streetlight improvement district property tax levy. By unanimous vote, you passed a motion to proceed with a levy of \$504,036 on the city's 355 streetlight districts to cover the electric costs of operating the streetlights within the districts. The action tonight is to request to adopt ordinance 4505, assessing the fiscal year '21/22 streetlight improvement district property tax levy by district and this concludes my brief presentation.

Mayor Ortega: Thank you. I see no requests for public comment. Therefore, I will close public comment. And I'm open to a motion and a second.

ITEM 37 – MOTION AND VOTE

[Time: 01:54:55]

Councilmember Caputi: I will make a motion to adopt ordinance number 4505, assessing the fiscal 2021/22 municipal streetlight improvement district property tax levy by district in accordance with Arizona revised statutes and the city charter.

Vice Mayor Janik: Second.

Mayor Ortega: We have a motion by Councilwoman Caputi and second by Vice Mayor Janik. Seeing no discussion, please register your vote. Thank you.

ITEM 38 – MONTHLY FINANCIAL UPDATE

[Time: 01:55:32]

Mayor Ortega: We will move on to the monthly financial update, and Judy Doyle, would is our budget director.

Judy Doyle: Thank you. Thank you and good evening mayor and councilmembers. Tonight is the monthly financial update through May. Looking at the fiscal year-to-date general fun sources we are in total \$31.7 million or 11% favorable when compared to the budget and exceeding fiscal year '19/20 by \$5.2 million.

I will touch on those categories that are driving the significant variances. As we have been seeing each month, the majority of overall increase is in the taxes local category at \$19.9 million favorable or 16% virtually all of which is sales tax, which I will cover in more detail then on the next slide. State shared revenues are favorable, \$7.2 million.

State shared sales tax continues to be the majority of the variances in this category which is consistent with what we are seeing in our local sales tax. Charges for services is showing a favorable variance of 22% or \$2.5 million, which I have mentioned in previous updates is primarily due to hosting a much larger equestrian national show at WestWorld, than originally planned.

And reimbursements from the state and Maricopa County for costs related to the assistance that our fire department has provided in response to fires around Arizona. Also contributing to the favorable variances is the TPC payment for the fourth quarter of fiscal year '19/20 that was received in fiscal year '20/21 then end of the fiscal third quarter payment for TPC.

License permits and fees is reporting a \$1.1 million favorable variance, primarily due to recreation fees. That favorable variance continues to be related to the occupancy, and our recreational facilities during the pandemic being better than expected.

Looking at the 1% sales tax we are \$18.3 million or 18% favorable to our budget. I will note for just the month of May, we came in over budget, \$900,000, or 8.7%. As you have heard for the last several months, automotive, construction, dining and entertainment, hotel/motel, miscellaneous retail stores and other activity are the big drivers of favorable variance.

So now turning to the uses side, this reflects a favorable variance of \$2.41 million%. As I mentioned the unfavorable variance of \$8.4 million and the transfers out is related to the purchase of land from the Arizona State land department for the WestWorld main access and master plan project.

So without that transfer out, we are reflect ago favorable \$7.2 million variance or about 3%. Personnel services and contractual services are yet again making up the majority of the favorable variance.

Personnel services has a 3.7 million or 2-point -- excuse me 2% favorable variance. Salaries are favorable, 2% or 2.5 million, again primarily due to ranked promotions within public safety with replacement employees coming in at a lower rate than the person who was promoted, and throughout the organization hiring new full-time and part-time staff at lower starting salaries than the employees they are replacing.

[Time: 01:59:48]

And as a result, that contributes to a favorable variance in our retirement category. This slide just summarizes the expenditure variances that I just walked through. The change in the general fund balance through May is favorable by \$34.1 million. The next few slides will show where we think we will land at fiscal year end for our sources, uses and change in fund balance.

I shared this -- these next two slides -- or three slides actually with you last month, comparing our approved budget or what we will thought our sources would be for the fiscal year when we adopted the budget, compared to where we forecast or sources to be at year end which is what we assume in the tentative budget.

As I shared with you this evening, through may, we are \$31.7 million or 11% favorable when compared budget and I have been sharing with you explanations for the favorable variances. And because of all of those reasons we are forecasting that we will finish the fiscal year favorable by \$21.4 million.

We are conservative in our forecasting and we could finish better than what we are reflecting here. Now, comparing our approved budget or what we thought our uses would be for the fiscal year, when we adopted the budget, compared to where we forecast our uses to be at year end, which again is what we assumed in the tentative budget.

I have been sharing a personnel services favorable variance with you each month. Again, primarily in the salaries. With new employees coming in at a lower rate of pay than the person who was promoted, resigned, et cetera, which then impacts the retirement which I had mentioned we are also seeing a favorable variance.

We anticipate holding on to this personnel services favorable until year end. And additionally we have identified expenses for all of the staff time related to staff time, AZCares funding priorities and creating a more favorable variance in the services and the general fund which we are forecasting at \$7.4 million or 4% at year end.

Contractual services the majority of the favorable variance that I have been sharing each month is due to the timing of invoices and we do anticipate truing up the timing by year end. I have also mentioned related to contractual services that we have seen savings and services due to fewer offenders act rested and sent to Maricopa County jail in an attempt to mitigate the spread of COVID but we expect that to be offset by fleet maintenance and repair cost.

So with those forecasts amounts at year end we anticipate a favorable balance of \$11.3 million. As I mentioned we are conservative in our forecasting. So a greater change in fund balance could occur. Before I conclude my presentation, I wanted to let you know that the June or 2021 fiscal year-end update will be presented in the Novemberish time frame as that is typically when our annual financial audit is complete, and then additionally, moving forward next fiscal year, our city treasurer Sonia Andrews will present the monthly financial update on a quarterly basis.

[Time: 02:03:35]

As you discovered many of the variance explanations do not change every month. So we will continue to prepare the monthly financial update and that monthly financial report and post that to our city's website, however, we will just present it on a quarterly basis. And that concludes my financial update this evening and I'm happy to answer any questions.

Mayor Ortega: Thank you very much. I see no public comment, either remote or in person.
Councilwoman Whitehead.

Councilmember Whitehead: Thank you, mayor and thank you, Judy. So I have a question about the 4.8 -- I think it was 4.8 for the state trust lands. At what point -- did you yet have a schedule at what point we will see tourism dollars being I believe it will be tourism or tourism C.I.P. dollars knowing back into the G.P. to cover that amount?

Judy Doyle: Mayor and councilmembers, we are looking to do that in '21/22. And we're looking to do that over a three-year period. And we will be bringing that to the tourism development commission as we need their approval prior to making that move.

Councilmember Whitehead: Okay. Thank you. I guess their recommendation to council?

Judy Doyle: Yes. Excuse me. Thank you for clarifying.

Councilmember Whitehead: That's okay. And then on the AZCares dollars. So some of those dollars could be used for more staffing? Is what I'm hearing? Or did I misunderstand?

Judy Doyle: Oh, az -- well, we have identified staff expenses that were related to staff performing COVID-related duties and, yes, we will be charging the Scottsdale AZCares fund for that, which will then result in a favorable variance in our general fund.

Councilmember Whitehead: Excellent. Thank you.

Mayor Ortega: I see no further questions. Thank you very much for the report.

ITEM 39 – RECEIPT OF CITIZEN PETITIONS

[Time: 02:05:35]

Mayor Ortega: At this point, I will move on to a dual item which would be the possibility of citizen petition, and as you know, the citizens may petition the council formally and with our city hall open and the Kiva open, we appreciate being able to audience a petition.

I will also combine that with a request for public comment. That means that the petitioner would be welcomed to speak for three minutes and discuss a petition being presented. I believe that we have each received a petition from Veronica Cochrane, and she is here in person. If you would like to speak to the petition, please come forward.

Veronica Cochrane: Thank you. Good evening, mayor, councilmembers. My name is Veronica Cochrane and I live in Scottsdale. As a new citizen, I am very grateful to be able to exercise my freedom of speech tonight. Because that would not be quite possible in my country of origin.

And fortunately, our public voice was suppressed for over 400 days and that's why tonight, I am submitting a citizens petition requesting that the city council meetings be finally opened at full capacity for public comment.

You see, when we started this petition a few weeks ago, the council meetings were closed to the public and sadly none of the councilmembers could get the meetings opened. Our petition was submitted with over 200 signatures and we respectfully request that the council put this citizen petition on agenda for a public discussion and action.

In closing, I would like to add that our first amendment right is the freedom of speech. And freedom of assembly. Which I know is the most essential method for our public safety, for our education and our democracy. So thank you very much may God bless our city and may God bless us all.
Thank you.

Mayor Ortega: Thank you so much. At this point we have several options upon receipt of a petition. And I believe we could post those for discussion and perhaps a motion. In the past, because the city hall was closed, it was a different process of petition going through the city manager and so forth.

At this point, we have -- we're returning to the open process, and that could include making a motion to

bring it to the city manager. And here we can see how we can handle three different acceptances and acknowledge receipt of petition.

Any member of the council may make a motion to be voted on by the council. Number one to direct the city manager to agendaize for further discussion. Number two, direct the city manager to investigate the matter and prepare a written response to council with a copy of the petitioner, or number three, take no action. So if someone would like to discuss this, I would appreciate it. Councilwoman Littlefield.

ITEM 39 – MOTION

[Time: 02:10:18]

Councilmember Littlefield: Thank you. Well, I'm very, very glad to see all of you here tonight. It's so much better than looking out into a dead room with no one there, charter officers excepted. I accept this petition from our citizen and I think we should agendaize it for discussion and possible action to take to the city manager to continue with what he has already started, the opening up of our city hall.

Councilmember Whitehead: I will second that.

Mayor Ortega: Councilmember Milhaven?

Councilmember Milhaven: Can I get clarification. I thought you said you wanted the city manager to respond and agendaize on it.

Councilmember Littlefield: I thought we had to agendaize it before we could discuss it.

Councilmember Milhaven: Okay. For my two cents we are open and we set guidelines. I think we could let the city manager respond but if you want to agendaize it, I will --

Councilmember Whitehead: Perhaps --

Councilmember Littlefield: That's fine if he wants to respond right now.

Councilmember Whitehead: Perhaps we can see the slide with the three options.

Mayor Ortega: So under normal circumstances we would have these three options with receipt of petitions. We are very fortunate to have an open Kiva where the petition was presented. So let me ask City Manager Thompson to respond at this point.

City Manager Thompson: Mr. Mayor, members of council, this evening, we are not in a position to respond other than the three items or the three options that you have available to you. So if you wish to direct me to bring it back for council and agendaize accordingly, I will be happy to or to prepare a response being I will be happy to or to take no action, I would be happy to do the same since we are already open.

If there's further discussion, that's necessary. I think we are still in moderate spread, as ordered earlier today and we are not low community spread and so that would -- and then we would be in a situation where we are more open than we are this evening.

So we are being so cautious as we do with the pandemic. Also our numbers have not reached in Scottsdale, even though we are one of the high communities under state of being vaccinated, we have not met the herd immunity requirements associated with COVID as well.

I know people have different opinions towards this, but we still have to provide a safe environment and trying to find balance for the last 18 months in this issue. And, again, I'm happy to go through pane respond to any of three options that are available to us. And if council wishes to direct me.

Mayor Ortega: I will turn to Councilwoman Whitehead and Councilwoman Caputi. So Councilwoman Whitehead.

Councilmember Whitehead: I think I want to clarify that, it's my understanding and Councilwoman Littlefield can correct me that she corrected the my manager to agendize for further discussion. I will support because I'm thrilled to see people back in the Kiva.

Thank you all for coming. It's a real show of civic pride, taking a night out and being here. I support our city manager giving direction on when it's safe to fully open. But I would like that discussion to be transparent. I would like it to be public. And so I'm I support the option one. I think that we will heed the direction of our professionals but we will do it in a public forum.

[Time: 02:14:18]

Mayor Ortega: Councilwoman Caputi, and then Vice Mayor Janik and then myself. Councilwoman Caputi.

Councilmember Caputi: I appreciate that people want to have a discussion, I would move that we take no action. The Kiva is open. We haven't even filled the chairs that we provided for everyone and it is so nice to see everyone here.

I love to see it fuller but it didn't even get full. So again, I think we are moving in the right direction. We have one more week of council meetings we are open and I just want to point out that we never prevented anyone from the first amendment right to speak. Everyone had multiple methods of speaking in public the entire time dealing with the COVID crisis and I'm totally fine if everyone else wants to agendize since we are open. Thank you.

Mayor Ortega: Okay. I want to insert this, because the petition says specifically in the first sentence, petition the city council to open city council to open the council meetings to residents and business owners and restore in-person public comment. Well, we have restored in-person public comment. The letter of the petition has been satisfied.

There is a provision for overflow of people and escorting and so forth. So the -- I do agree that it is a moot point. I'm not going to start talking about all the other buildings in the city because that's not being agendized in this petition, but I believe that the intent of the petitioner is already satisfied because the request is to restore in-person public comment.

And she's presented in-person public comment and we have been open to other in-person public comment. I don't think we need to discuss it further. We will continue to restore in-person or we have in-person public comment. Vice Mayor Janik and then Councilman Littlefield.

[Time: 02:16:30]

Vice Mayor Janik: I was going to say that I concur with what you said. I think that we have pretty much satisfied the request for the petition. And I would say number two, that the city manager just to prepare a written response, explaining the whole process that we have been through and why we delayed opening up the Kiva for safety reasons.

Councilmember Milhaven: I will second that motion.

Mayor Ortega: We can only have one motion on the table.

Councilmember Milhaven: That's not correct.

Mayor Ortega: Yes, it is correct. I have Councilwoman Littlefield for a second and then we have a motion to vote up or down or continue. Please go ahead --

Councilmember Milhaven: I would like to appeal to the parliamentarian.

Mayor Ortega: Excuse me, I'm giving the floor to Councilwoman Littlefield for her -- as a courtesy. She hasn't spoken yet. So let her. Thank you. Please go ahead.

Councilmember Littlefield: Well, since it was my motion, I kind of had to direct the city manager to agendize the petition for further discussion and what I had in mind with that, was to discuss publicly and in an open forum what we have been doing, why we were closed for so long, why we were partially open now and what are plans are going forward to completely finish that opening and become totally open and back to normal again.

I think it's good for a public discussion. People have not had that and I think they should, and I think this is the forum and the place to do that. And I would like to have that on the council agenda if possible so we can do it in one of the N. two meetings that we have and just have an opening of information to our citizens on what we're doing and how we're doing it and why we are doing it and when we are doing it. Thank you.

Mayor Ortega: And I would agree with that in terms of the city manager can always provide information

in the regular agenda, just as other officers report. So I think it's the -- it's possible to just to have you say in the city manager report. If that's clarified, that is a response -- she's saying that we would take item number two, which is direct the city manager to prepare a direct response to the council and a copy to the petitioner. Go that be the best explanation? And does the seconder agree with that, that we are going with number two, so the city manager can so testify?

Councilmember Whitehead: That's fine. I think we just switched from option one to option two, I'm fine with that. I just really believe that the public needs to be part of the discussion. It needs to be very transparent. I think spending -- we spent way more time on discussing this than we probably would have than if we put it on the agenda in discussing what the plans are. Either way is fine with me. I will second option number two.

[Time: 02:19:42]

Mayor Ortega: Thank you. Councilmember Milhaven and Caputi.

Councilmember Milhaven: Since the first motion maker made the second motion maker. I would like to hear from the city attorney who is our parliament about rules of procedure. It's my understanding there can be two motions on the floor.

City Attorney Scott: Mayor, if I may.

Mayor Ortega: Sure.

City Attorney Scott: There can be an alternative motion and the alternative motion if it gets a second is voted on first. I agree with you that is moot now, because Councilwoman Littlefield has amended her motion basically, it's the same as the alternative motion.

So I think it's a procedural nuance that's no longer relevant. As to Councilwoman Caputi's motion, it did not get a second from what I heard and that's why it's not on the table for a vote.

Mayor Ortega: Right. Thank you. And Councilwoman Caputi.

Councilmember Caputi: I just had the same question. We had this come up before with this we're not able to, you know, entertain more than one motion and it's been confusing. So I'm glad that you have clarified that. Yes, we can have more than one motion on the dais. Thank you.

ITEM 39 – VOTE

[Time: 02:21:05]

Mayor Ortega: Okay. We have a motion and a second. And to be clear, I think it's unanimous our council, mayor and council is very happy to have the doors opened, and we'll return to normal. Please register your vote. Thank you.

We have one remaining item, which would be if there are any mayor or council items tonight. And seeing none, I would move on and request a motion and a second to adjourn the city council regular meeting, and record the vote. Do I have a motion?

ADJOURNMENT – MOTION AND VOTE

[Time: 02:21:48]

Councilmember Whitehead: So moved.

Councilwoman Littlefield: Second.

Mayor Ortega: We have a motion and a second. And please register your vote.

Mayor Ortega: Thank you. We adjourned. We will reconvene in 10 minutes.