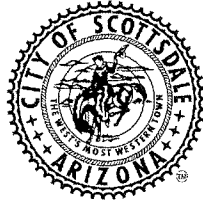


SCOTTSDALE CITY COUNCIL
REGULAR MEETING MINUTES
TUESDAY, MARCH 18, 2014



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

CALL TO ORDER

Mayor W.J. "Jim" Lane called to order a Regular Meeting of the Scottsdale City Council at 5:04 P.M. on Tuesday, March 18, 2014 in the City Hall Kiva.

ROLL CALL

Present: Mayor W.J. "Jim" Lane
Vice Mayor Virginia L. Korte
Councilmembers Suzanne Klapp, Robert W. Littlefield, Linda Milhaven,
Guy Phillips, and Dennis E. Robbins

Also Present: City Manager Fritz Behring
City Attorney Bruce Washburn
City Treasurer Jeff Nichols
City Auditor Sharron Walker
City Clerk Carolyn Jagger

PLEDGE OF ALLEGIANCE – Red, White, and Barker Club from Barker Branch Boys and Girls Club, Youth Development Supervisor Tyler Hertz

INVOCATION – Todd Miller, Student Pastor, First Southern Baptist Church of Scottsdale

MAYOR'S REPORT

Mayor Lane apologized for denying a speaker's request for a moment of silence that was made during public comment at a previous Council meeting.

CITY MANAGER'S REPORT – None

PRESENTATIONS/INFORMATION UPDATES – None

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

PUBLIC COMMENT

- Patty Badenoch, David Smith, Darlene Petersen, and Susan Wheeler spoke in support of retaining the Community Design Studio.
- Jim Hill, Police Officers of Scottsdale Association, commented on the moment of silence for fallen Phoenix Police Detective Hobbs.

MINUTES

Request: Approve the Work Study Session Minutes of February 11, 2014, and Regular Meeting Minutes of February 25, 2014.

MOTION AND VOTE – MINUTES

Vice Mayor Korte made a motion to approve the Work Study Session Minutes of February 11, 2014, and Regular Meeting Minutes of February 25, 2014. Councilwoman Klapp seconded the motion, which carried 7/0.

CONSENT AGENDA

- 1. Jade Palace Liquor License (11-LL-2014)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 12 (restaurant) State liquor license for a new location and owner.
Location: 8876 E. Pinnacle Peak Road, Suite 104
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 2. Permanent Extension of Premises for Hula's Modern Tiki (5-EX-2014)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a permanent extension of premises for Hula's Modern Tiki.
Location: 7213 E. 1st Avenue
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 3. Permanent Extension of Premises for Breakfast Club (3-EX-2014)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a permanent extension of premises for Breakfast Club.
Location: 4400 N. Scottsdale Road, Suite 1-6
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 4. Permanent Extension of Premises for Stax Burger Bistro (4-EX-2014)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a permanent extension of premises for Stax Burger Bistro.
Location: 4400 N. Scottsdale Road, Suite 12
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov

- 5. Gardner Abandonment (6-AB-2010)**
Request: Adopt **Resolution No. 9674** extending the time to fulfill the conditions for abandoning the east 13 feet of the 33-foot GLO easement located along the east half of N. 78th Street, the south 13 feet of the 33-foot GLO easement located along the south half of E. Redbird Road, and the entire 33 feet of the east 55.8 feet of the GLO easement located along the south half of E. Redbird Road for the site consisting of parcels 212-22-047A and 212-22-047B.
Location: 26838 N. 78th Street
Staff Contact(s): Randy Grant, Planning, Neighborhood, and Transportation Administrator, 480-312-2664, rgrant@scottsdaleaz.gov
- 6. Whisper Ridge Final Plat (2-PP-2013)**
Request: Approve the 66-lot final plat, with amended development standards, on an 80-acre site located at the northeast corner of E. Shea Boulevard and N. 136th Street.
Location: Northeast corner of E. Shea Boulevard and N. 136th Street
Staff Contact(s): Randy Grant, Planning, Neighborhood, and Transportation Administrator, 480-312-2664, rgrant@scottsdaleaz.gov
- 7. Cochise Estates Rezoning (14-ZN-2013)**
Request: Adopt **Ordinance No. 4145** approving a zoning district map amendment from Single-Family Residential, Environmentally Sensitive Lands (R1-43 ESL) zoning to Single-Family Residential, Environmentally Sensitive Lands (R1-35 ESL) zoning; and finding that the proposed zoning district map amendment is consistent and conforms with the adopted General Plan on a 10± acre site.
Location: 12804 and 12880 E. Cochise Road
Staff Contact(s): Randy Grant, Planning, Neighborhood, and Transportation Administrator, 480-312-2664, rgrant@scottsdaleaz.gov
- 8. Definitions-Responsible Party Text Amendment (1-TA-2014)**
Request: At the request of staff, continue Text Amendment 1-TA-2014 to the May 6, 2014 City Council Meeting.
Staff Contact(s): Randy Grant, Planning, Neighborhood, and Transportation Administrator, 480-312-2664, rgrant@scottsdaleaz.gov
- 9. McDowell Road Bridge Widening Project Construction Bid Award**
Request: Adopt **Resolution No. 9647** authorizing Construction Bid Award 14PB006 to CS Construction, Inc., the lowest responsive bidder, at the unit price bid of \$2,005,261.43, for the construction of the McDowell Road Bridge Widening Project.
Staff Contact(s): Daniel Worth, Public Works Executive Director, 480-312-5555, dworth@scottsdaleaz.gov
- 10. Citywide Vertical Construction Services Contract**
Request: Adopt **Resolution No. 9669** authorizing Job Order Contract Modification No. 2013-039-COS-A2 with Howard S. Wright Constructors, LP, for the second option year of the Citywide Vertical Construction Services Job Order Contract.
Staff Contact(s): Daniel Worth, Public Works Executive Director, 480-312-5555, dworth@scottsdaleaz.gov

11. Arizona Canal Path Chaparral Road to Indian Bend Wash Engineering Services Contract

Request: Adopt **Resolution No. 9682** authorizing Engineering Services Contract Modification No. 2012-138-COS-A1 with Olsson Associates, Inc., in the amount of \$216,240, for a one-year extension to provide design services for the Arizona Canal Path Chaparral Road to Indian Bend Wash Project.

Staff Contact(s): Daniel Worth, Public Works Executive Director, 480-312-5555, dworth@scottsdaleaz.gov

12. 5th Avenue Drainage Project Intergovernmental Agreement

Request: Adopt **Resolution No. 9659** to authorize:

1. Intergovernmental Agreement No. 2014-027-COS with Flood Control District of Maricopa County to allow partnership and cost share for the 5th Avenue Drainage Project.
2. A Fiscal Year 2013/14 Capital Contingency for Future Grants budget appropriation transfer, in a total amount of \$250,000, to a newly created capital project to be titled 5th Avenue Drainage Project to be funded by the grant funds authorized under this intergovernmental agreement.

Staff Contact(s): Daniel Worth, Public Works Executive Director, 480-312-5555, dworth@scottsdaleaz.gov

13. Scottsdale Airport Lease Agreement

Request: Adopt **Resolution No. 9637** authorizing Contract No. 2010-166-COS-A2, the second amendment to airport land lease agreement with Piedmont Hawthorne Aviation, LLC, dba Landmark Aviation, LLC.

Staff Contact(s): Gary Mascaro, Aviation Director, 480-312-7735, gmascaro@scottsdaleaz.gov

14. Harquahala Valley Land Conveyance Agreement

Request: Adopt **Resolution No. 9677** authorizing Purchase Agreement and Escrow Instructions Contract No. 2014-033-COS with Georgetown Holdings, LLC, for the sale of the City's 1216± acre farm in the Harquahala Valley, for the sum of \$9,126,450.

Staff Contact(s): Brian Biesemeyer, Water Resources Executive Director, 480-312-5683, bbiesemeyer@scottsdaleaz.gov

15. Scottsdale Rotary Clock Donation and Maintenance Agreement

Request: Adopt **Resolution No. 9681** authorizing Donation and Maintenance Agreement No. 2014-034-COS with Scottsdale Rotary Foundation to accept the donation and maintenance of a large, stand-alone clock to be located on the Civic Center Mall.

Staff Contact(s): J.P. Twist, Mayor's Chief of Staff, 480-312-7806, jptwist@scottsdaleaz.gov

16. Transit and Canal Bridge Grant Intergovernmental Agreement

Request: Adopt **Resolution No. 9646** to authorize:

1. Intergovernmental Agreement No. 2014-019-COS with the City of Phoenix for the purpose of accepting pass-through Federal Transit Administration Grant No. AZ-90-X124, in a total grant amount of \$477,749, for the reimbursement of expenditures associated with the Crosscut Canal path and bridge project, trolley fleet preventative maintenance, and operations of the Miller Road Circulator. The agreement stipulates a local match in the amount of \$471,035.

2. A budget authority transfer in the amount of \$452,214 (Federal Transit Administration grant of \$180,886, with a local match of \$271,328 from Transportation Sales Tax) from the FY 2013/14 Capital Grant Contingency to a newly created Crosscut Canal Bridge and Path Project cost center to record the related grant activity.
3. A budget authority transfer in the amount of \$129,542 from the FY 2013/14 Transportation Fund transit operations budget to a newly created cost center to record the related grant activity for trolley fleet preventative maintenance.
4. A budget authority transfer in the amount of \$167,321 from the FY 2013/14 Transportation Fund transit operations budget to a newly created cost center to record the related grant activity for the Miller Road circulator.

Staff Contact(s): Paul Basha, Transportation Director, 480-312-7651,
pbasha@scottsdaleaz.gov

17. Diverging Diamond Interchange

Request: Adopt **Resolution No. 9684** stating support for the continued direct access to the properties west of SR-101 and south of Princess drive in the vicinity of the SR-101 interchange with Princess Drive and Pima Road.

Staff Contact(s): Paul Basha, Transportation Director, 480-312-7651,
pbasha@scottsdaleaz.gov

18. DUI Alcohol Equipment Grant

Request: Adopt **Resolution No. 9672** to authorize:

1. Agreement No. 2014-031-COS with the Arizona Governor's Office of Highway Safety to accept a grant in the amount of \$90,493 for DUI alcohol equipment.
2. A budget transfer from the adopted FY 2013/14 Future Grants Budget and/or the Grant Contingency Budget and creation of a new cost center to record the related grant activity.

Staff Contact(s): Alan Rodbell, Public Safety Executive Director, 480-312-1900,
arodbell@scottsdaleaz.gov

19. Scottsdale Housing Annual Agency Plan

Request: Adopt **Resolution No. 9661** approving the Public Housing Agency (PHA) Annual Plan for FY 2014/15 for the Housing Choice Voucher (HCV) Program funded through the United States Department of Housing and Urban Development (HUD); authorizing changes to the Scottsdale Housing Agency Administrative Plan; and accepting additional Housing Choice Vouchers that may become available from HUD. The PHA Annual Plan serves as Scottsdale's application for funding for the HCV program and includes information regarding the City goals, objectives, policies, and programs related to the Violence Against Women Act, as required by law.

Staff Contact(s): William Murphy, Community Services Executive Director, 480-312-7954, bmurphy@scottsdaleaz.gov

20. Preserve General Obligation Bonds

Request: Adopt **Resolution No. 9691** providing for the negotiated sale and issuance of up to \$14 million principal amount of Preserve General Obligation bonds; providing the terms concerning the bonds; authorizing the City Treasurer to negotiate, execute, and deliver certain agreements, including acceptance of the proposal for the purchase of the bonds; and appointing an initial bond registrar and paying agent for the bonds.

Staff Contact(s): Jeff Nichols, City Treasurer, 480-312-2364,
jenichols@scottsdaleaz.gov

21. Monthly Financial Report

Request: Accept the FY 2013/14 Monthly Financial Report as of January 2014.

Staff Contact(s): Judy McIlroy, Budget Director, 480-312-2603,
jmcilroy@scottsdaleaz.gov

22. Fiscal Year 2013/14 Capital Budget Adjustment

Request: Adopt **Resolution No. 9683** authorizing a FY 2013/14 capital budget adjustment to change a funding source for capital project D1102 Tony Nelssen Equestrian Center Expansion from General Fund to Municipal Property Corporation Bonds totaling \$4,200,000.

Staff Contact(s): Jeff Nichols, City Treasurer, 480-312-2364,
jenichols@scottsdaleaz.gov

MOTION AND VOTE – CONSENT AGENDA

Councilman Robbins made a motion to approve Consent Items 1 through 22. Councilwoman Milhaven seconded the motion, which carried 7/0.

REGULAR AGENDA

23. Water, Sewers, and Sewage Disposal Code Amendment

Request: Adopt **Ordinance No. 4146** amending Scottsdale Revised Code Chapter 49 (Water, Sewers, and Sewage Disposal) to allow for a Salinity Reduction Rebate program to be effective July 1, 2014.

Presenter(s): Brian Biesemeyer, Water Resources Executive Director

Staff Contact(s): Brian Biesemeyer, Water Resources Executive Director, 480-312-5683, bbiesemeyer@scottsdaleaz.gov

Water Resources Executive Director Brian Biesemeyer gave a PowerPoint presentation (attached) on the proposed Salinity Reduction Rebate Program.

Mayor Lane opened public testimony.

The following individuals spoke in support of the proposed Salinity Reduction Rebate program:

- Andy Jacobs, Rayne Water Corporation
- Ryan Harper, Arizona Water Quality Association

Mayor Lane closed public testimony.

MOTION AND VOTE – ITEM 23

Councilman Phillips made a motion to adopt Ordinance No. 4146 amending Scottsdale Revised Code Chapter 49 (Water, Sewers, and Sewage Disposal) to allow for a Salinity Reduction Rebate program to be effective July 1, 2014. Vice Mayor Korte seconded the motion, which carried 6/1, with Councilwoman Milhaven dissenting.

24. Legislative Update

Request: Provide an update to the Council and receive possible direction regarding current and pending State legislative issues and policies.

Presenter(s): Brad Lundahl, Government Relations Director

Staff Contact(s): Brad Lundahl, Government Relations Director, 480-312-2683,
blundahl@scottsdaleaz.gov

Government Relations Director Brad Lundahl gave a PowerPoint presentation (attached) on current and pending State legislative issues and policies.

25. Sign Walker Ordinance

Request: Presentation and possible direction to staff on the current sign walker ordinance, including possible alternatives.

Presenter(s): Bruce Washburn, City Attorney; Jeff Walther, Assistant Chief of Police

Staff Contact(s): Bruce Washburn, City Attorney, 480-312-2405,
bwashburn@scottsdaleaz.gov

City Attorney Bruce Washburn gave a PowerPoint presentation (attached) on the City's current sign walker ordinance.

Assistant Chief of Police Jeff Walther gave a PowerPoint presentation (attached) on citation statistics and the manner in which sign walker code violations are handled.

Mayor Lane opened public testimony.

- Jim Torgeson, Sign King of Arizona, commented on the sign walker ordinance and the way in which the City enforces the ordinance.

Mayor Lane closed public testimony.

MOTION AND VOTE – ITEM 25

Councilman Littlefield made a motion to: (1) Keep the sign walker ordinance as is; (2) continue to enforce the sign ordinance as we have been; and (3) direct the City Attorney to defend the ordinance if the legislature passes HB 2528. Councilwoman Klapp seconded the motion, which carried 6/1, with Councilman Phillips dissenting.

City Attorney Bruce Washburn clarified that the motion for this item is for the purpose of providing direction to staff and that it is not a final binding legal action on the part of the City Council.

26. Monthly Financial Update

Request: Receive, discuss, and provide possible direction on the City Treasurer's monthly financial update as of February 2014.

Presenter(s): Jeff Nichols, City Treasurer

Staff Contact(s): Judy McIlroy, Budget Director, 480-312-2603,
jmcilroy@scottsdaleaz.gov

City Treasurer Jeff Nichols gave a PowerPoint presentation (attached) on the City's financial status as of February 2014.

PUBLIC COMMENT – None

CITIZEN PETITIONS

14. Receipt of Citizen Petitions

Request: Accept and acknowledge receipt of citizen petitions. Any member of the Council may make a motion, to be voted on by the Council, to: (1) Direct the City Manager to agendize the petition for further discussion; (2) direct the City Manager to investigate the matter and prepare a written response to the Council, with a copy to the petitioner; or (3) take no action.

Staff Contact(s): Carolyn Jagger, City Clerk, 480-312-2411, cjagger@scottsdaleaz.gov

No citizen petitions were received.

MAYOR AND COUNCIL ITEMS – None

ADJOURNMENT

With no further business to discuss, the Regular Meeting adjourned at 7:32 P.M.

SUBMITTED BY:



**Carolyn Jagger
City Clerk**

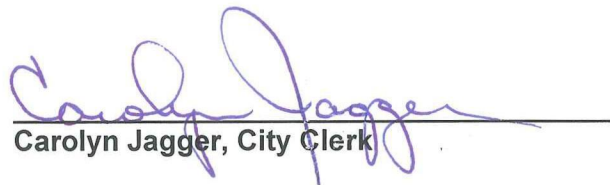
Officially approved by the City Council on April 8, 2014

CERTIFICATE

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Regular Meeting of the City Council of Scottsdale, Arizona held on the 18th day of March 2014.

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

DATED this 8th day of April 2014.



Carolyn Jagger, City Clerk

Amend City Code/Salinity Reduction Rebate Program

March 18, 2014

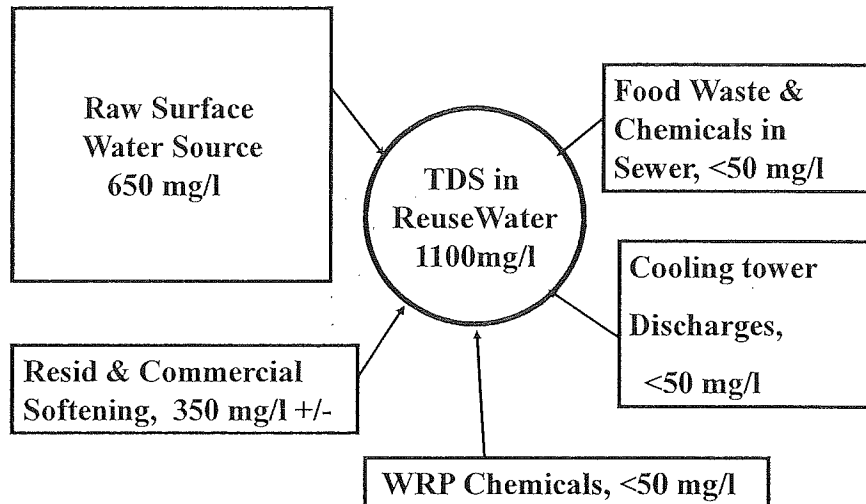
1

Why Salinity in Wastewater Matters

- Reclaimed wastewater is a large (and essential) part of Scottsdale's water portfolio and is used for:
 - Groundwater recharge
 - Turf/golf course irrigation
- High total dissolved solids (TDS) (a general measure of salinity) is not removed in a traditional wastewater treatment process
- TDS in wastewater is costly to treat and creates a solids disposal issue

2

Sources of Salinity in Reclaimed Water



3

Water Resources Efforts

- Participation in various study and pilot projects:
 - Central AZ Salinity Study (CASS)
 - Study of Water Softener Alternatives with ASU
 - Sub-Regional Operating Group (SROG) Concentrate Management Study and Pilot project
- Expansion of the Advanced Water Treatment (AWT) Facility at the Water Campus
- Evaluation of salinity loading & effects as part of Wastewater Master Planning effort
- Participation in the Multi-States Salinity Coalition
- Participation in the Technical Advisory Committee to the Joint Legislative Study Committee on Water Salinity Issues

4

Water Softeners in Scottsdale

- It's currently estimated that 46% of residential customers in COS have a point of entry device (water softener)
- Regeneration of these softeners results in discharge to sewer of 300 million gallons or 900 Acre-ft per year
- A 150 mg/l reduction in TDS could reduce AWT operating costs by over \$200,000
- Any TDS reduction would extend the life cycle of membranes and stretch out associated replacement cost
- SROG currently levies no charge for TDS in wastewater directed to the 91st Avenue WWTP

5

Options to Reduce Salinity

1. Water Reclamation Treatment Systems
 - AWT – increased operating and membrane replacement costs
 - Brine Management System – Initial cost estimates are \$87 Million capital cost to construct and over \$3 Million annual operating cost
2. Source Reduction – eliminating or reducing salinity before it enters the wastewater system

6

Pilot Rebate Program

1. Two Year Program designed to offer a variety of options to reduce salinity and conserve water at the source
2. Three Tiered Rebate Program
 - > Rebate - Replace softeners with new high efficiency softeners
 - > Rebate - Subscribe to a portable exchange service
 - > Rebate - Remove salt-based water softener
3. Customer survey and data collection – required under each rebate to evaluate the customer satisfaction with process and technology.
4. Report to Council on program after second year to quantify results

7

Pilot Rebate Program Numbers

1. Replace existing softener with new high efficiency softener (Standards outlined by City of Scottsdale). \$50 one time rebate limited to first 300 customers/year
2. Subscribe to Portable Exchange Service to eliminate sewer discharge. \$100 one time rebate limited to first 100 customers/year
3. Remove Water Softener. Limit to first 200 customers (\$125 up front and \$125 after one year)

8

Pilot Rebate Program Costs

Rebate Program	FY14/15	FY15/16
High Efficiency Softener Rebate	\$28,500	\$28,500
Portable Exchange	\$14,500	\$14,500
Water Softener Removal	\$34,000	\$34,000
Program Administration and Customer Surveys	\$ 5,000	\$ 5,000
Total	\$82,000	\$82,000

9

Proposed Steps

- Request Council approval for a code change to allow for Salinity Rebates – tonight
- Propose Budget for Salinity Rebates as part of Water Resources Budget – April
- Role out rebates in July

10

Item 24

State Legislative Update

Scottsdale City Council
March 18, 2014

Legislative Update

- Today is the 65th day of the Second Regular Session of the 51st Legislature.
- 1186 bills have been introduced.
- Seven bills have passed and one bill has been vetoed (SB 1062).

***SB 1152 – Transportation Safety Zones;
Passenger Areas***

- Authorizes cities and towns to establish two Transportation Safety Zones for the purpose of relieving traffic congestion.
- Allows for the establishment of a vehicle for-hire lane.
- Introduced by Senator Chester Crandell (Heber).
- Passed Senate on March 6th by a vote of 27-0.
- Awaiting hearing in House Government Committee.

HB 2387 – Street Light Improvement Districts

- HB 2387 will allow for the transfer of jurisdiction of county operated Street Light Improvement Districts (SLIDS) to a municipal SLID by a public vote of a city or town council.
- HB 2387 was introduced by Rep. Michelle Ugenti (Scottsdale).
- HB 2387 passed the House on February 24th by a vote of 59-0 and is ready for the Senate.

HB 2220 – Improvement Districts; Municipal Services

- HB 2220 would allow an improvement district to provide enhanced municipal services to continue to exist in an area that is no longer in a “designated area” (defined elsewhere in statute) under specified circumstances.
- HB 2220 was introduced by Rep. Karen Fann.
- HB 2220 passed the House on March 5th by a vote of 41-17 and has been referred to the Senate.

HB 2288 – Sales Tax; Reduced Reporting Requirements

- HB 2288 would allow taxpayers with annual transaction privilege tax liability between \$2,000 and \$8,000 to pay TPT on a quarterly basis (instead of a monthly basis), and taxpayers with annual TPT liability of less than \$2,000 are allowed to pay on an annual basis.
- HB 2288 was introduced by Rep. Debbie Lesko.
- HB 2288 passed the House on February 25th by a vote of 58-0. The bill has been referred to the Senate Finance Committee.

***HB 2547 – Major Event Public Safety
Reimbursement***

- HB 2547 would establish the Major Event Public Safety Reimbursement Fund to reimburse a host community with up to \$2 million toward the expense of providing public safety personnel and equipment that is directly attributable to a major Arizona event (such as the Super Bowl).
- HB 2547 was introduced by House Majority Leader, David Gowan (Sierra Vista).
- HB 2547 passed the House on March 5th by a vote of 33-25 and is now ready for the Senate.

***SB 1174 – Strike-everything: Aviation
Registration; Taxation***

- The strike-everything amendment to SB 1174 makes numerous changes to aircraft registration and taxes.
- SB 1174 was introduced by Senator Al Melvin (Tucson) and passed the Appropriations Committee on February 26th.

SB 1413 – Taxes; Manufacturers' Electricity Sales; Exemption

- SB 1413 will expand the deductions from the tax base for the utilities classification to include gross proceeds of sales or gross income derived from sales of electricity to a business that is “principally engaged” in “manufacturing” or “smelting” (all defined) operations that uses at least 51% of the electricity in the manufacturing or smelting operations.
- SB 1413 was introduced by Senator Steve Yarbrough (Chandler).
- SB 1413 passed the Senate with amendment No. 4577 on March 6th by a vote of 25-0.

SB 1227 – Municipalities; Counties; Energy Efficient Codes

- SB 1227 would prohibit municipalities and counties from adopting as mandatory any building code, ordinance or other legal requirement that is related to energy efficiency, energy conservation or green construction in new construction, and from denying any license or building permit or imposing any fine on a person for failure to comply with such a requirement.
- SB 1227 was introduced by Senator Chester Crandell.
- SB 1227 passed the Senate Committee of the Whole March 3rd and is awaiting a final vote.

HB 2528 – Municipalities; Regulations; Sign Walkers

- HB 2528 would prohibit a municipality from adopting any regulation that would restrict a sign walker from using public sidewalks, walkways, or pedestrian thoroughfares.
- Provides enforcement by private civil action against a municipality.
- Introduced by Rep. Warren Petersen (Gilbert) and is co-sponsored by Rep. Bob Robson (Chandler).
- HB 2528 passed the House on March 10th by a vote of 57-0.

HB 2692 – DPS; Operating Expenses; Approp;

- HB 2692 would appropriate funds from the State General Fund to the Department of Public Safety for operating expenses.
- Transfers \$119 M in FY15 and FY16.
- \$36.4 M to cities each year from HURF.
- HB 2692 was introduced by House Speaker Andy Tobin.
- HB 2692 passed the House on March 6th with a vote of 49-9 and is now ready for the Senate.

HB 2152 – Fire District Annexations

- HB 2152 specifies required actions for changing a fire district, community park maintenance district, and sanitary district boundaries that may affect or include a portion of a municipality.
- HB 2152 was introduced by Rep. Eddie Farnsworth (Gilbert).
- HB 2152 is awaiting a hearing in the House Committee of the Whole.

SB 1158 – Strike-everything: Fireworks; Permissible Use

- SB 1158 would require cities and towns in Maricopa and Pima Counties to allow for the sale and use of consumer fireworks during the periods of the Fourth of July and New Year's.
- *SB 1158 was introduced by Senator Chester Crandell (Heber) and the strike-everything amended bill passed the Senate on March 3 with a vote of 22-5.*
- *It has been assigned to the House Public Safety, Military, and Public Affairs Committee.*

***HB 2117 – Strike-everything: Water Softeners;
Salinity***

- The strike amendment to HB 2117 and would place new standards on the sale and installation of water softeners.
- HB 2117 was introduced by Rep. Karen Fann (Prescott).
- HB 2117 passed the House on March 4th by a vote of 32-24 and is now ready for the Senate.

***HB 2343 – Strike-everything: Forest Health
Management***

- HB 2343 will require the State Land Commissioner and State Forester to adopt best land management practices to decrease the severity of wildfires through forest health management on state lands.
- Stipulates the management criteria which includes climate conditions, pest infestations, forest overgrowth, and federal land management policies.
- Appropriates \$1.8 million from the state general fund for forest thinning activities.
- Proposed by Rep. John Kavanagh (Fountain Hills) and was adopted and passed the House on March 6th with a vote of 54-3.

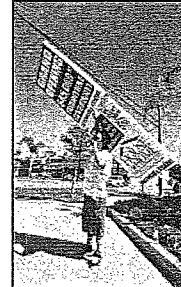
Any Questions?

Item 25

Bruce Washburn Presentation



Sign Walkers



State Law & Scottsdale Revised Code

Arizona Revised Statutes

- ARS 9-499.13: SIGN WALKERS; REGULATIONS; DEFINITION

A. From and after December 31, 2008, notwithstanding the authority to regulate signs pursuant to section 9-462.01, and as a matter of statewide concern, all municipalities shall allow the posting, display and use of sign walkers. Municipalities may adopt reasonable time, place and manner regulations relating to sign walkers.

B. For the purposes of this section, "sign walker" means a person who wears, holds or balances a sign.

Scottsdale Revised Code

- **Sec. 16-353 (C): Soliciting employment and advertisement**

No person shall have, bear, wear, or carry upon any street, any advertising banner, flag, board, sign, transparency, wearing apparel or other device advertising, publicly announcing or calling attention to any goods, wares, merchandise, or commodities, or to any place of business, occupation, show, exhibition, event, or entertainment. The provisions of this subsection do not apply to the wearing of apparel without remuneration for doing so or business identification on wearing apparel.

Prior Debate

- In early 2007, a sign walking business owner Jim Torgeson was cited for violating Scottsdale City Code 16-353.C and was found guilty of the offence.
- Mr. Torgeson filed an appeal in Superior Court.
 - On his appeal, Mr. Torgeson admitted that he violated the code provision at issue, but contended it was unconstitutional (1st and 14th Amendments)

Superior Court Ruling

Hon. Margaret H Downie, ruled the following:

"This court agrees with Judge Blake's determination that the code provision is sufficiently narrowly-drawn. The ordinance does not ban all commercial speech. It is a time-place-manner restriction that demonstrates a reasonable "fit" between the city's objectives and the means chosen to accomplish these goals."

IT IS ORDERED affirming the judgment of conviction entered in the Scottsdale City Court

How this Code is Enforced

What is Allowed

- The sign walker must be standing on private property AND have consent from the private property owner to be working on their private property.

What isn't Allowed

- Sign walkers are not allowed to conduct their business on public streets, which is defined as all that area dedicated to public use for public street purposes and includes roadways, parkways, alleys, and, sidewalks.
- Warnings are commonly given on the first offense so they can be educated on our city code.

SPD – Statistics on Enforcement

Statistical Period: 2007 to Present

- Since 2007, there have been 22 cases where sign walkers were cited.
- In 19 of the 22 cases, the name of sign walker business was identified.
- Of the 19 cases, 14 businesses were cited. 4 of the 14 sign walking businesses were cited more than once.
 - **Arrow Advertising:** Cited twice (2008 & 2011)
 - **Jet Media Promotions:** Cited three times (2007, 2008, 2012)
 - **Gallery of Rugs:** Cited twice (2007 both times)
 - **Sign King of Arizona:** Cited twice on the same day (2014)

*Note: Jet Media & Sign King of AZ have different business names but have the same owner (Jim Torgeson)

Summary of the Statistics

- 74% of the 19 cases involved the citing of different businesses.
- 26% of the 19 cases involved the citing of employees or the owner of Jet Media & Sign King of AZ, owned by Jim Torgeson.
 - Of these 5 cases related to Jim Torgeson, the citations were issued in 2007 (1), 2008 (1), 2012 (1), and 2014 (2).
 - Additional Facts: In 2 of these 5 cases, the sign walker was also found to be in possession of marijuana and was charged.
 - Previous warnings had been given in each case.

What does this tell us?

1. SPD is enforcing this code fairly and equally among sign walker businesses.
2. Apparently the owner of Jet Media and Sign King of Arizona has either failed to inform his employees of Scottsdale's ordinance that was upheld by Judge Downie, or his employees have, for whatever reason, chosen not to comply with it.

Summary of the Statistics

Statistics related to the 23 offenders:

- Age:
 - Oldest = 55 years old
 - Youngest = 19 years old
 - Average age = 36.6 years old
- Race/Ethnicity & Gender
 - 52.2 % - Caucasian Males (12)
 - 4.3% - Caucasian Females (1)
 - 17.4% - Hispanic Males (4)
 - 0% - Hispanic Females (0)
 - 21.7 - African American Males (5)
 - 4.3% - African American Female (1)
- Race/Ethnicity
 - 56.5% - Caucasian
 - 17.4% - Hispanic
 - 26.1% - African American

Questions?

Monthly Financial Update As of February 28, 2014

City Council
March 18, 2014
Prepared by: City Treasurer

General Fund Operating Sources February 2014: Fiscal Year to Date

(in millions: rounding differences may occur)

Sources Category	FY 11/12	FY 12/13	FY 13/14	FY 13/14	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
Sales Tax: 1.0% General Purpose	\$54.5	\$57.1	\$61.3	\$59.7	\$1.7	3%
0.1% Public Safety	5.3	5.5	6.0	5.8	0.2	3%
State Shared: Sales Tax	11.2	11.6	12.5	12.4	0.1	1%
Revenue	12.2	14.8	16.1	16.2	-	-
Auto Lieu Tax	4.9	4.4	4.8	5.1	(0.3)	(6%)
Property Taxes (Primary)	15.0	15.2	15.4	15.5	(0.1)	(1%)
Franchise Fees/In-Lieu Tax	7.9	8.1	8.4	8.1	0.4	5%
Other: Licenses, Permits & Fees	5.3	5.1	5.5	5.5	-	-
Fines & Forfeitures	4.7	4.4	4.2	4.5	(0.4)	(8%)
Miscellaneous	6.0	6.1	4.8	3.8	1.0	27%
Building Permits	5.4	7.4	10.2	6.0	4.2	69%
Interest Earnings	0.6	0.8	1.2	0.7	0.5	81%
Indirect Cost Allocations	6.3	4.7	4.3	4.3	-	-
Transfers In	6.6	5.1	4.9	5.0	(0.1)	(3%)
<i>Subtotal Operating Sources</i>	\$146.0	\$150.4	\$159.6	\$152.5	\$7.1	5%
Bond Proceeds*	-	31.3	-	-	-	-
Bed Taxes (gross)	7.0	-	-	-	-	-
<i>Total Operating Sources</i>	\$153.0	\$181.6	\$159.6	\$152.5	\$7.1	5%

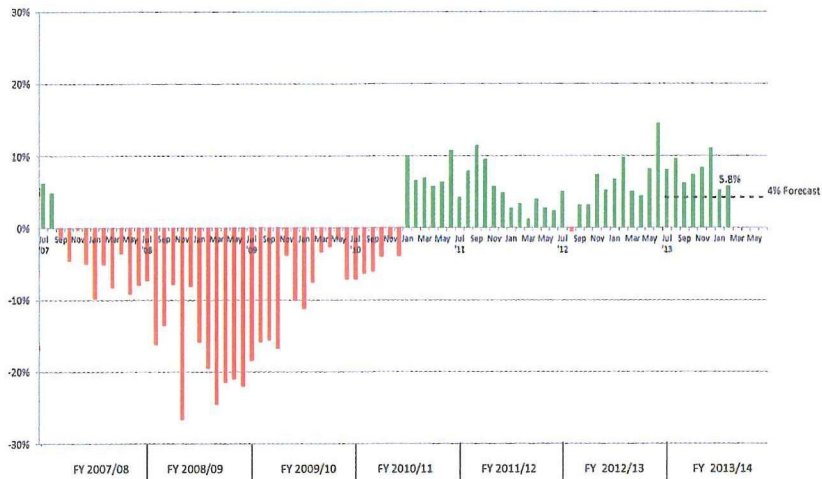
* To fund the Nordstrom Garage Lease Payoff

General Fund Operating Sources: Sales Tax February 2014: Fiscal Year to Date

(in millions: rounding differences may occur)

1.0% Sales Tax Category	FY 11/12	FY 12/13	FY 13/14	FY 13/14	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
<u>Consumer Spending:</u>						
Small retail stores	\$9.1	\$9.4	\$10.2	\$9.9	\$0.3	3%
Large retail stores	6.0	6.0	6.1	6.3	(0.2)	(3%)
Misc goods & services	3.8	4.3	4.7	4.4	0.2	6%
Grocery & convenience	4.1	4.2	4.3	4.3	-	-
Auto sales & maintenance	6.2	7.1	8.0	7.7	0.4	5%
<u>Tourism/Entertainment:</u>						
Hotel lodging & misc sales	2.3	2.4	2.6	2.5	-	-
Restaurants & bars	4.7	4.9	5.1	5.1	0.1	2%
<u>Business:</u>						
Construction	5.4	5.7	7.2	6.5	0.6	11%
Rental	7.9	8.3	8.3	8.2	-	-
Utilities	3.1	3.1	3.0	3.1	(0.1)	(3%)
Licenses, penalties/interest	1.8	1.7	1.8	1.7	0.1	7%
Total 1.0% Sales Tax	\$54.5	\$57.1	\$61.3	\$59.7	\$1.7	3%

General Fund Sales Tax: 1.0% General Purpose – Year over Year Change



General Fund Operating Uses: by Category February 2014: Fiscal Year to Date

(in millions: rounding differences may occur)

Category	FY 11/12	FY 12/13	FY 13/14	FY 13/14	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
Personnel Services*:						
Salaries & Wages	\$73.5	\$73.6	\$80.2	\$80.2	\$ -	-
Overtime	4.1	4.6	5.4	4.4	(1.0)	(22%)
FICA	5.0	5.0	5.5	5.5	-	-
Retirement	8.9	10.3	12.0	12.0	-	-
Health/Dental & Misc	9.2	10.1	10.4	10.7	0.2	2%
<i>Total Personnel Services</i>	<i>\$100.7</i>	<i>\$103.6</i>	<i>\$113.6</i>	<i>\$112.8</i>	<i>(\$0.8)</i>	<i>(1%)</i>
Contractual, Commodities, Capital Outlay						
	32.9	36.1	39.4	43.6	4.2	10%
<i>Total Operating Expenses</i>	<i>\$133.6</i>	<i>\$139.7</i>	<i>\$152.9</i>	<i>\$156.4</i>	<i>\$3.4</i>	<i>2%</i>
Debt Serv. & Contracts	7.1	33.9**	1.6	1.6	-	-
Transfers Out	3.7	3.3	0.4	0.4	-	-
<i>Total Operating Uses</i>	<i>\$144.4</i>	<i>\$176.9</i>	<i>\$155.0</i>	<i>\$158.4</i>	<i>\$3.4</i>	<i>2%</i>
*Pay Periods thru February:	17	17	18			

** Includes the Nordstrom Garage Lease Payoff

General Fund Operating Uses: by Division February 2014: Fiscal Year to Date

(in millions: rounding differences may occur)

Division	FY 11/12	FY 12/13	FY 13/14	FY 13/14	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
Mayor & Council, Charter Officers	\$11.0	\$11.8	\$12.0	\$12.9	\$0.9	7%
Administrative Services	9.1	9.4	10.2	10.7	0.5	4%
Comm. & Econ Development	16.1	15.5	16.7	16.9	0.1	1%
Community Services	19.5	21.0	22.2	22.7	0.5	2%
Public Safety	6.8	7.5	8.2	8.5	0.3	4%
Public Safety - Fire	15.6	17.1	19.5	19.7	0.2	1%
Public Safety - Police	45.7	46.9	51.7	51.4	(0.3)	0%
Public Works	9.7	10.6	12.3	13.6	1.2	9%
<i>Total Operating Expenses</i>	<i>\$133.6</i>	<i>\$139.7</i>	<i>\$152.9</i>	<i>\$156.4</i>	<i>\$3.4</i>	<i>2%</i>

General Fund Results: Summary February 2014: Fiscal Year to Date

(in millions: rounding differences may occur)

	FY 11/12	FY 12/13	FY 13/14	FY 13/14	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
Sources	\$153.0	\$181.6*	\$159.6	\$152.5	\$7.1	5%
Uses	144.4	176.9*	155.0	158.4	3.4	2%
Change in Fund Balance	\$8.6	\$4.7	\$4.6	(\$5.9)	\$10.5	

* The Nordstrom Garage Lease Payoff paid for with bond proceeds.

General Fund Operating Sources February 2014

(in millions: rounding differences may occur)

Sources Category	FY 11/12	FY 12/13	FY 13/14	FY 13/14	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
Sales Tax: 1.0% General Purpose	\$7.0	\$7.8	\$8.1	\$8.1	(\$0.1)	(1%)
0.1% Public Safety	0.7	0.8	0.8	0.8	-	-
State Shared: Sales Tax	1.6	1.7	2.0	1.8	0.1	8%
Revenue	1.5	1.9	2.0	2.0	-	-
Auto Lieu Tax	0.6	0.6	0.4	0.6	(0.3)	(43%)
Property Taxes (Primary)	0.6	0.6	(0.6)	0.6	(1.2)	nm
Franchise Fees/In-Lieu Tax	0.0	(0.1)	0.0	0.0	-	-
Other: Licenses, Permits & Fees	0.6	0.5	0.6	0.7	(0.1)	(8%)
Fines & Forfeitures	0.6	0.6	0.6	0.6	-	-
Miscellaneous	1.5	1.2	0.7	0.7	-	-
Building Permits	0.7	1.0	1.1	0.8	0.3	41%
Interest Earnings	0.1	0.1	0.2	0.1	0.1	96%
Indirect Cost Allocations	0.8	0.6	0.5	0.5	-	-
Transfers In	0.5	(0.4)	0.5	0.5	-	-
<i>Subtotal Operating Sources</i>	\$16.8	\$16.9	\$16.8	\$17.9	(\$1.1)	(6%)
Bond Proceeds*	-	2.1	-	-	-	-
Bed Taxes (gross)	1.4	-	-	-	-	-
<i>Total Operating Sources</i>	\$18.2	\$19.0	\$16.8	\$17.9	(\$1.1)	(6%)

* To fund the Nordstrom Garage Lease Payoff

General Fund Operating Sources: Sales Tax February 2014

(in millions: rounding differences may occur)

1.0% Sales Tax Category	FY 11/12 Actual	FY 12/13 Actual	FY 13/14 Actual	FY 13/14 Budget	Actual vs. Budget	
					Fav/(Unf)	%
<u>Consumer Spending:</u>						
Small retail stores	\$1.1	\$1.2	\$1.2	\$1.3	\$ -	-
Large retail stores	0.7	0.8	0.6	0.9	(0.3)	(29%)
Misc goods & services	0.6	0.6	0.6	0.6	-	-
Grocery & convenience	0.5	0.6	0.7	0.6	0.1	12%
Auto sales & maintenance	0.9	1.0	1.2	1.1	0.1	9%
<u>Tourism/Entertainment:</u>						
Hotel lodging & misc sales	0.4	0.5	0.5	0.5	(0.1)	(16%)
Restaurants & bars	0.7	0.7	0.7	0.7	-	-
<u>Business:</u>						
Construction	0.5	0.7	0.9	0.8	0.2	19%
Rental	1.0	1.1	1.0	1.1	(0.1)	(5%)
Utilities	0.3	0.3	0.3	0.3	-	-
Licenses, penalties/interest	0.1	0.2	0.2	0.2	-	-
<i>Total 1.0% Sales Tax</i>	\$7.0	\$7.8	\$8.1	\$8.1	(\$0.1)	(1%)

General Fund Operating Uses: by Category February 2014

(in millions: rounding differences may occur)

Category	FY 11/12 Actual	FY 12/13 Actual	FY 13/14 Actual	FY 13/14 Budget	Actual vs. Budget	
					Fav/(Unf)	%
<u>Personnel Services*:</u>						
Salaries & Wages	\$8.5	\$8.4	\$9.0	\$9.0	\$ -	-
Overtime	0.8	0.8	0.7	0.7	(0.1)	(9%)
FICA	0.6	0.6	0.6	0.6	-	-
Retirement	1.1	1.3	1.4	1.4	-	-
Health/Dental & Misc	1.2	1.3	1.3	1.4	0.1	4%
<i>Total Personnel Services</i>	\$12.3	\$12.4	\$13.0	\$13.0	(\$0.1)	(1%)
<u>Contractual, Commodities, Capital Outlay</u>						
<i>Total Operating Expenses</i>	\$16.1	\$16.8	\$17.9	\$17.9	\$ -	-
Debt Serv. & Contracts	0.3	-	-	-	-	-
Transfers Out	0.7	-	0.4	0.4	(0.1)	(18%)
<i>Total Operating Uses</i>	\$17.1	\$16.8	\$18.3	\$18.3	(\$0.1)	0%
*Pay Periods in February:	2	2	2			

General Fund Operating Uses: by Division February 2014

(in millions: rounding differences may occur)

Division	FY 11/12	FY 12/13	FY 13/14	FY 13/14	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
Mayor & Council, Charter Officers	\$1.4	\$1.6	\$1.0	\$1.4	\$0.3	24%
Administrative Services	1.0	0.9	1.1	1.1	-	-
Comm. & Econ Development	2.0	1.8	2.0	1.9	(0.1)	(3%)
Community Services	2.2	2.3	2.4	2.4	-	-
Public Safety	0.9	1.1	1.1	0.9	(0.2)	(21%)
Public Safety - Fire	2.0	2.1	2.3	2.4	0.1	4%
Public Safety - Police	5.5	5.7	6.4	6.2	(0.2)	(3%)
Public Works	1.2	1.2	1.7	1.7	-	-
<i>Total Operating Expenses</i>	\$16.1	\$16.8	\$17.9	\$17.9	\$ -	-

General Fund Results: Summary February 2014

(in millions: rounding differences may occur)

	FY 11/12	FY 12/13	FY 13/14	FY 13/14	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
Sources	\$18.2	\$19.0*	\$16.8	\$17.9	(\$1.1)	(6%)
Uses	17.1	16.8	18.3	18.3	(0.1)	0%
Change in Fund Balance	\$1.1	\$2.2	(\$1.5)	(\$0.4)	(\$1.2)	

* Includes \$2.1 million of bond proceeds to payoff Nordstrom Garage Lease.