

**SCOTTSDALE CITY COUNCIL  
REGULAR MEETING MINUTES  
TUESDAY, FEBRUARY 2, 2021**



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

**CALL TO ORDER**

Mayor David D. Ortega called to order a Regular Meeting of the Scottsdale City Council at 5:00 P.M. on Tuesday, February 2, 2021.

**ROLL CALL**

Present: Mayor David D. Ortega; Vice Betty Janik; and Councilmembers Tammy Caputi, Tom Durham, Kathleen S. Littlefield, Linda Milhaven, and Solange Whitehead (all participating electronically)

Also Present: City Manager Jim Thompson, City Attorney Sherry Scott, Acting City Treasurer Judy Doyle, City Auditor Sharron Walker, and City Clerk Carolyn Jagger (all participating electronically)

**MAYOR'S REPORT** – Mayor Ortega announced that Councilwoman Betty Janik has assumed the role as Vice Mayor and thanked Councilwoman Whitehead for her service as Vice Mayor.

**CITY MANAGER'S REPORT – ECONOMIC DEVELOPMENT REACCREDITATION**

Economic Development Director Rob Millar gave a presentation on the Economic Development Department's reaccreditation.

**PUBLIC COMMENT** – 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.

## ADDED ITEMS

### A1. Added Item

Item Nos. 15A and 15B were added to the agenda on January 28, 2021 and require a separate vote to remain on the agenda.

**Request:** Vote to accept the agenda as presented or continue the added items to the next scheduled Council meeting, which is February 16, 2021.

## MOTION AND VOTE – ADDED ITEMS

Councilwoman Whitehead made a motion to accept the agenda as presented. Councilwoman Caputi seconded the motion, which carried 7/0, by roll call vote, with Mayor Ortega; Vice Mayor Janik; and Councilmembers Caputi, Durham, Littlefield, Milhaven, and Whitehead voting in the affirmative.

## MINUTES

**Request:** Approve the Regular Meeting Minutes of January 12, 2021.

## MOTION AND VOTE - MINUTES

Vice Mayor Janik made a motion to approve the Regular Meeting Minutes of January 12, 2021. Councilwoman Littlefield seconded the motion, which carried 7/0, by roll call vote, with Mayor Ortega; Vice Mayor Janik; and Councilmembers Caputi, Durham, Littlefield, Milhaven, and Whitehead voting in the affirmative.

## CONSENT AGENDA

### 1. Z'Tejas Southwestern Grill Liquor License (99-LL-2020)

**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:** 8300 N. Hayden Road, Suite D101-D102

**Staff Contact(s):** Tim Curtis, Current Planning Director, 480-312-4210,  
[tcurtis@scottsdaleaz.gov](mailto:tcurtis@scottsdaleaz.gov)

### 2. Wandering Donkey Taqueria & Tequila Bar Liquor License (2-LL-2021)

**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:** 10121 E. Bell Road, Suite 150

**Staff Contact(s):** Tim Curtis, Current Planning Director, 480-312-4210,  
[tcurtis@scottsdaleaz.gov](mailto:tcurtis@scottsdaleaz.gov)

### 3. PHX Beer Co. Liquor License (3-LL-2021)

**Request:** Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 7 (beer and wine bar) State liquor license for an existing location and owner, new license series.

**Location:** 8300 N. Hayden Road, Suite D100

**Staff Contact(s):** Tim Curtis, Current Planning Director, 480-312-4210,  
[tcurtis@scottsdaleaz.gov](mailto:tcurtis@scottsdaleaz.gov)

4. **Permanent Extension of Premises for Desert Mountain Outlaw (2-EX-2021)**  
**Request:** At the request of staff, continue to a date to be determined.  
**Staff Contact(s):** Tim Curtis, Current Planning Director, 480-312-4210, [tcurtis@scottsdaleaz.gov](mailto:tcurtis@scottsdaleaz.gov)
  
5. **Scottsdale Airport Lease Agreement**  
**Request:** Adopt **Resolution No. 12038** authorizing Lease Agreement No. 2021-009-COS with Pantheon Global Realty, LLC, for the North General Aviation Executive Box Hangar Space at the Scottsdale Airport.  
**Staff Contact(s):** Gary Mascaro, Aviation Director, 480-312-7735, [gmascaro@scottsdaleaz.gov](mailto:gmascaro@scottsdaleaz.gov)
  
6. **Multi-Use Sports Fields Construction Phase Services Contract (Construction of Fields)**  
**Request:** Adopt **Resolution No. 12051** authorizing CM@Risk Contract No. 2020-200-COS-A1 with Valley Rain Construction Corporation in the amount of \$11,426,905.70 for construction Phase 2 services for the Bond 2019 Project 53 – Build Multi-Use Sports Fields in the Area of Bell Road.  
**Staff Contact(s):** Dan Worth, Public Works Director, 480-312-5555, [dworth@scottsdaleaz.gov](mailto:dworth@scottsdaleaz.gov)
  
7. **Multi-Use Sports Fields Construction Phase Services Contract (Offsite Water System)**  
**Request:** Adopt **Resolution No. 12052** authorizing CM@Risk Contract No. 2020-199-COS-A1 with Hunter Contracting Co. in the amount of \$4,493,629.78 for construction Phase 2 services for the Bond 2019 Project 53 – Build Multi-Use Sports Fields in the Area of Bell Road.  
**Staff Contact(s):** Dan Worth, Public Works Director, 480-312-5555, [dworth@scottsdaleaz.gov](mailto:dworth@scottsdaleaz.gov)
  
8. **Airport Engineering Services Contract**  
**Request:** Adopt **Resolution No. 12045** authorizing Contract No. 2018-055-COS-A1 with Mead & Hunt, Inc., increasing the annual contract expenditure limit to \$1,500,000 for on-call aviation engineering services for projects at the Scottsdale Airport.  
**Staff Contact(s):** Gary Mascaro, Aviation Director, 480-312-7735, [gmascaro@scottsdaleaz.gov](mailto:gmascaro@scottsdaleaz.gov)
  
9. **Aviation Real Estate Brokerage Consulting Services Contract**  
**Request:** Adopt **Resolution No. 12044** authorizing Contract No. 2021-015-COS with DMD Real Estate Group, LLC, for aviation real estate brokerage consulting services.  
**Staff Contact(s):** Gary Mascaro, Aviation Director, 480-312-7735, [gmascaro@scottsdaleaz.gov](mailto:gmascaro@scottsdaleaz.gov)
  
10. **Police Department Homeland Security Reallocation Grant**  
**Request:** Adopt **Resolution No. 12041** to authorize:
  1. Contract No. 2021-010-COS with the Arizona Department of Homeland Security accepting a State Homeland Security reallocation grant in the amount of \$33,000.
  2. A budget transfer in the amount of \$33,000 from the adopted FY 2020/21 Future Grants Budget and/or Grant Contingency Budget to a newly created cost center to record the related grant activity.**Staff Contact(s):** Jeff Walther, Chief of Police, 480-312-1900, [jwalther@scottsdaleaz.gov](mailto:jwalther@scottsdaleaz.gov)

**11. Aggressive Driving Education and Enforcement Grant**

**Request:** Adopt **Resolution No. 12049** to authorize:

1. The acceptance of additional grant monies from the Arizona Governor's Office of Highway Safety in the amount of \$50,000 for overtime costs related to aggressive driving education and enforcement.
2. The Chief of Police, or designee, to conduct all negotiations and to execute and submit all documents and other necessary or desirable instruments in connection with the acceptance of the grant.
3. A budget transfer in the amount of \$50,000 from the FY 2020/21 Future Grants Budget and/or Grant Contingency Budget to the current cost center to record the related grant activity.

**Staff Contact(s):** Jeff Walther, Chief of Police, 480-312-1900, [jwalther@scottsdaleaz.gov](mailto:jwalther@scottsdaleaz.gov)

**12. Arizona Traffic and Criminal Software Data Sharing Agreement**

**Request:** Adopt **Resolution No. 12053** to authorize:

1. Agreement No. 2021-016-COS with the Arizona Department of Transportation for the use of the Arizona Traffic Software (TraCS).
2. The Chief of Police, or designee, to enter into future data sharing agreements with other criminal justice agencies.

**Staff Contact(s):** Jeff Walther, Chief of Police, 480-312-1900, [jwalther@scottsdaleaz.gov](mailto:jwalther@scottsdaleaz.gov)

**13. Rio Verde Foothills Domestic Water Improvement District**

(Moved to the Regular Agenda, see Page 5.)

**14. Designate the City of Scottsdale's Chief Fiscal Officer**

**Requests:**

1. Adopt **Resolution No. 12054** designating the City of Scottsdale's Chief Fiscal Officer for officially submitting the FY 2020/21 Expenditure Limitation Report to the Arizona Auditor General and superseding the prior designation.
2. Adopt **Resolution No. 12055** designating the City of Scottsdale's Chief Fiscal Officer for officially submitting the FY 2019/20 Expenditure Limitation Report to the Arizona Auditor General and superseding the prior designation.

**Staff Contact(s):** Anna Henthorn, Accounting Director, 480-312-7805, [ahenthorn@scottsdaleaz.gov](mailto:ahenthorn@scottsdaleaz.gov)

**15. Council Committee and Subcommittee Appointments**

**Request:** Confirm the dissolution of the WestWorld subcommittee and Mayor Ortega's City Council committee and subcommittee appointments for the Audit Committee and Economic Development Subcommittee as follows:

1. Audit Committee – Councilmembers Durham, Littlefield, and Whitehead
2. Economic Development Subcommittee – Councilmembers Janik, Milhaven, and Whitehead

**Staff Contact(s):** Rachel Smetana, Mayor's Chief of Staff, 480-312-7806, [rsmetana@scottsdaleaz.gov](mailto:rsmetana@scottsdaleaz.gov)

**15A. Public Safety Personnel Retirement System Appointment**

**Request:** Accept Mayor David D. Ortega's appointment of Hugo Meraz as the Chair of the Public Safety Personnel Retirement System Boards.

**Staff Contact(s):** Rachel Smetana, Mayor's Chief of Staff, 480-312-7806, [rsmetana@scottsdaleaz.gov](mailto:rsmetana@scottsdaleaz.gov)

**15B. City Clerk Appointment and Employment Agreement**

**Request:** Adopt **Resolution No. 12067** to authorize:

1. Appointment of Benjamin M. Lane to the position of City Clerk effective March 8, 2021.
2. Employment Agreement No. 2021-019-COS with Benjamin M. Lane.

**Staff Contact(s):** Sherry Scott, City Attorney, 480-312-2405, [sscott@scottsdaleaz.gov](mailto:sscott@scottsdaleaz.gov)

**MOTION AND VOTE – CONSENT AGENDA**

Councilwoman Whitehead made a motion to approve Consent Agenda Items 1 through 15B, absent Item 13, which was moved to the Regular Agenda. Councilwoman Caputi seconded the motion, which carried 7/0, by roll call vote, with Mayor Ortega; Vice Mayor Janik; and Councilmembers Caputi, Durham, Littlefield, Milhaven, and Whitehead voting in the affirmative.

**REGULAR AGENDA**

**13. Rio Verde Foothills Domestic Water Improvement District**

**Request:** Adopt **Resolution No. 12063** to authorize:

1. Consent for the formation of the Rio Verde Foothills Domestic Water Improvement District.
2. The City Manager, or designee, to submit public comments or execute any forms or documents and appear or attend any such proceedings as may be necessary.

**Staff Contact(s):** Brian Biesemeyer, Water Services Director, 480-312-5683, [bbiesemeyer@scottsdaleaz.gov](mailto:bbiesemeyer@scottsdaleaz.gov)

Water Services Director Brian Biesemeyer gave a PowerPoint presentation (attached) on the request for the City's consent on the formation of the Rio Verde Foothills Domestic Water Improvement District.

Mayor Ortega opened public testimony.

The following spoke in support of the request:

- John Hornewer, RVF Water Resources, Inc.
- Karen Nabity, RVF Water Resources, Inc.

Mayor Ortega closed public testimony.

**MOTION AND VOTE – ITEM 13**

Councilwoman Littlefield made a motion to approve Item 13, formation of the Rio Verde Foothills Domestic Water Improvement District consent resolution. Councilwoman Caputi seconded the motion, which carried 7/0, by roll call vote, with Mayor Ortega; Vice Mayor Janik; and Councilmembers Caputi, Durham, Littlefield, Milhaven, and Whitehead voting in the affirmative.

**16. Comprehensive Financial Policies and Governing Guidance**

**Request:** Adopt **Resolution No. 12047** relating to Comprehensive Financial Policies and Governing Guidance as the formal guidelines for the City of Scottsdale's FY 2021/22 financial planning and management.

**Presenter(s):** Judy Doyle, Acting City Treasurer

**Staff Contact(s):** Sylvia Dlott, Acting Budget Director, 480-312-2419, [sdlott@scottsdaleaz.gov](mailto:sdlott@scottsdaleaz.gov)

Acting City Treasurer Judy Doyle gave a PowerPoint presentation (attached) on the City's comprehensive financial policies and governing guidance.

### **MOTION AND VOTE – ITEM 16**

Vice Mayor Janik made a motion to approve Item 16, Comprehensive Financial Policies and Governing Guidance resolution. Councilwoman Whitehead seconded the motion, which carried 7/0, by roll call vote, with Mayor Ortega; Vice Mayor Janik; and Councilmembers Caputi, Durham, Littlefield, Milhaven, and Whitehead voting in the affirmative.

### **MAYOR AND COUNCIL ITEMS**

#### **17. Boards, Commissions, and Task Force Nominations (Note: Appointments scheduled for March 2, 2021)**

Airport Advisory Commission (one vacancy) – Councilwoman Caputi nominated Thomas Noon and Councilwoman Whitehead nominated Ken Casey.

Board of Adjustment (two vacancies) – Councilwoman Whitehead nominated Conan Deady and Timothy Stratton, Councilwoman Littlefield nominated Gary Steinback, and Councilwoman Caputi nominated Ryan Wagner.

Building Advisory Board of Appeals (three vacancies) – No applications received.

Environmental Advisory Commission (one vacancy) – Councilmember Milhaven nominated Anthony Coletta, Mayor Ortega nominated Heather Abrahimi, and Vice Mayor Janik nominated Andrew Scheck.

Historic Preservation Commission (one vacancy) – Mayor Ortega nominated Rose Smith and Councilwoman Littlefield nominated Ben Brosseau.

Industrial Development Authority (three vacancies) – Councilwoman Littlefield nominated Mary Grier, Daniel Stewart, and Thomas Williams.

Judicial Appointments Advisory Board (one citizen representative vacancy) – Vice Mayor Janik nominated Laura Ingegneri.

McDowell Sonoran Preserve Commission (two vacancies) – Councilmember Durham nominated Laurie LaPat-Polasko and Marsha Lipps.

Parks and Recreation Commission (one vacancy) – Councilwoman Caputi nominated Eric Kurland and Councilmember Milhaven nominated Teresa Quale.

Tourism Development Commission (one Scottsdale Hotelier vacancy) – Councilwoman Whitehead nominated Sherry Henry.

Veterans Advisory Commission (one vacancy) – Councilwoman Milhaven nominated Deborah Dominick and Vice Mayor Janik nominated Steven Jackson.

**ADJOURNMENT**

The Regular City Council Meeting adjourned at 6:06 P.M.

**SUBMITTED BY:**



**Carolyn Jagger, City Clerk**

Officially approved by the City Council on February 16, 2021




### 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 2<sup>nd</sup> day of February 2021.

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

**DATED** this 16<sup>th</sup> day of February 2021.

  
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Carolyn Jagger, City Clerk





# Item 13

## Rio Verde Foothills

### Proposed Domestic Water Improvement District (DWID)

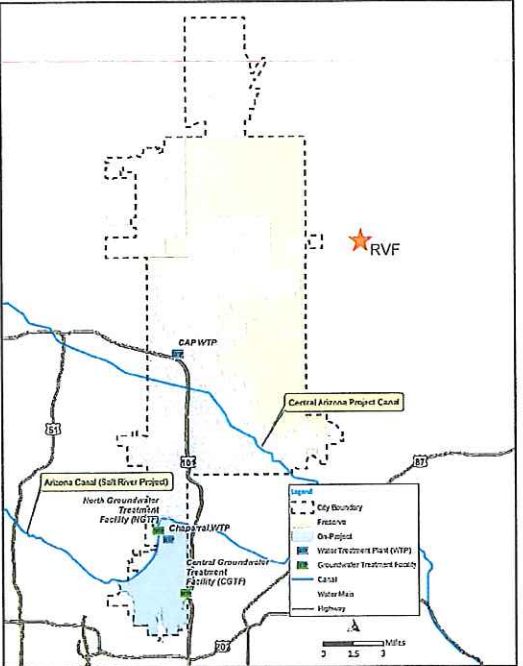
February 2, 2021



1

## Background

- Rio Verde Foothills (RVF) is not in Scottsdale or the Scottsdale Water service area.
- Many homes in this area rely partially or completely on hauled water. Despite this lack of water, more homes continue to be built in this area.
- Many RVF residents currently get their hauled water from Scottsdale Water Fill stations
- Since 2016, Scottsdale Water has been encouraging the RVF community to find their own water solution.

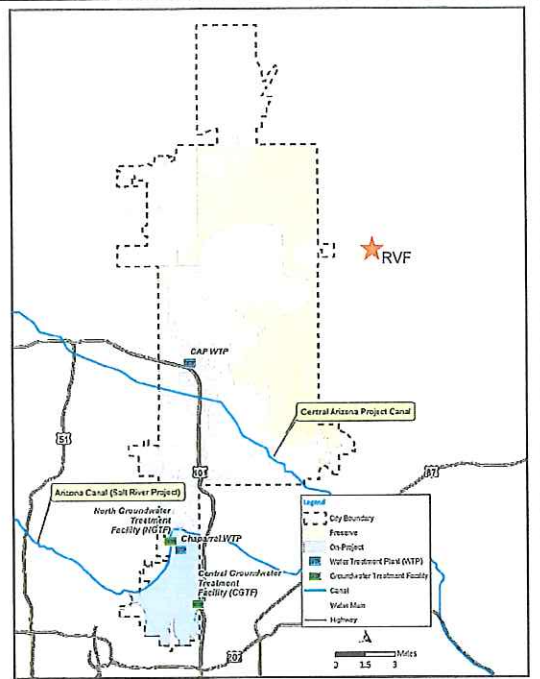


The map displays the Scottsdale city boundary as a dashed line. The Rio Verde Foothills (RVF) area is highlighted in yellow and marked with a red star. Key water infrastructure is shown, including the CAP WTP, Central Arizona Project Canal, Arizona Canal (Salt River Project), North Groundwater Treatment Facility (NGTF), Central Groundwater Treatment Facility (CGTF), and Central WTP. A legend identifies symbols for City Boundary, Franchise, On-Project, Water Treatment Plant (WTP), Groundwater Treatment Facility, Canal, Water Main, and Highway. A scale bar indicates distances up to 3 miles.

2

## Background

- Scottsdale Water is committed to ensuring our customers/residents have a secure and sustainable water supply for the prosperity of Scottsdale.
- Scottsdale Water has tried to be a good neighbor but cannot indefinitely supply water to a growing area that is not Scottsdale.
- With a shortage declaration on the Colorado River, Scottsdale Water will limit water hauling to only City of Scottsdale residents and businesses.

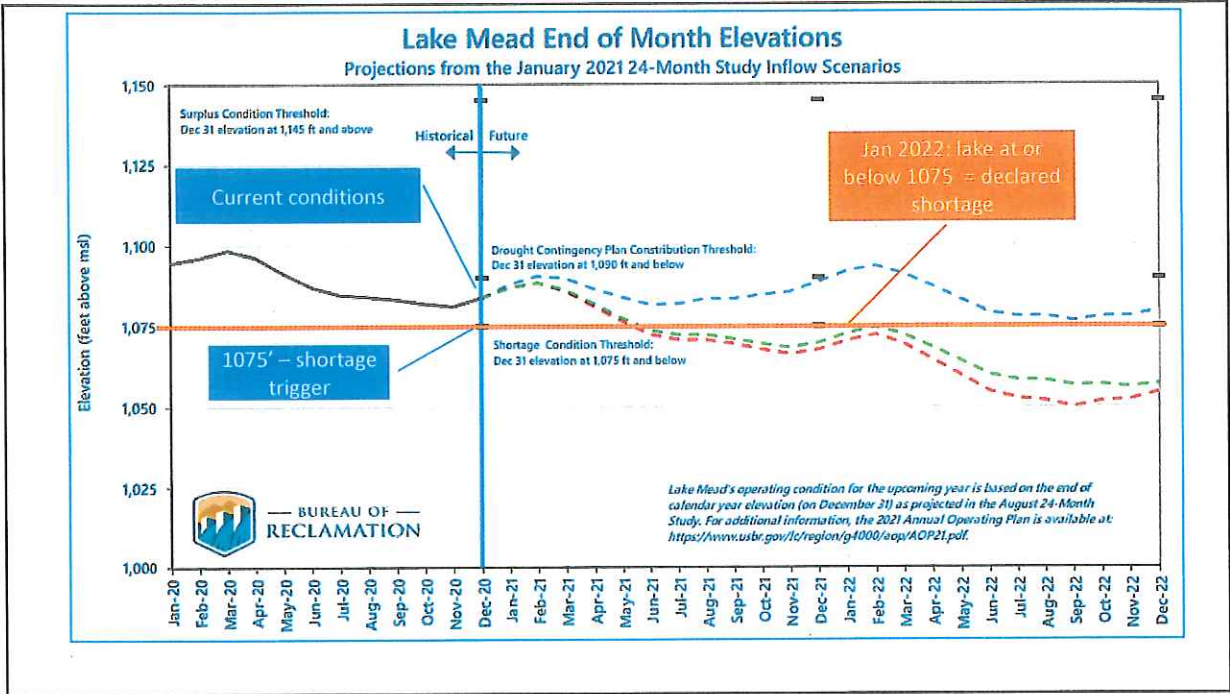


3

## Rio Verde Foothills DWID





- Members of the RVF community are seeking to form a Domestic Water Improvement District (DWID) to be able to secure their own water future
- The Maricopa County Supervisors approves the formation of the DWID, however State law requires that municipalities within six miles of a proposed DWID, not oppose its formation (ARS 48-902)
- Staff recommend approval of resolution 12063


4



5

# Questions?



6



# Item 16

## FY 2021/22 Comprehensive Financial Policies

February 2, 2021

1

### **Financial Policies**

#### **BACKGROUND**

- First adopted in FY 1994/95
- Promote sound financial planning and management of public funds
- Assist in making fiscal strategy and policy decisions
- Contribute to AAA bond rating

2

# Financial Policies



OPERATING  
MANAGEMENT



CAPITAL  
MANAGEMENT



DEBT  
MANAGEMENT



RESERVE  
MANAGEMENT



FINANCIAL  
REPORTING

3

# FY 2021/22 Administrative Changes

4

## Operating Management #17

*Any year-end General Fund operating surpluses not needed to restore contingency reserves or cover unforeseen shortfalls in the budget, but in no case less than: (1) 25 percent of construction privilege tax revenues; (2) 100 percent of net interest income in excess of \$1.0 million; and (3) ~~half two-thirds~~ of the 1.1 percent sales tax collected on food for home consumption, which will then be reduced ~~25 percent in year two of the five-year financial plan and by 16.7 percent~~ each subsequent year until the transfer is \$0, will be transferred to the General Fund Capital Improvement Program in the following fiscal year unless otherwise directed by City Council.*

5

## Rationale

Modified policy to align with City Council's direction to phase out the 1.1 percent sales tax collected on food for home consumption to the General Fund Capital Improvement Program.

6

## Reserve Management #36

*The following stabilization reserves will be maintained for unforeseen emergencies or catastrophic impacts to the city:*

- a. General Fund Stabilization Reserve of 10 percent of annual General Fund operating expenditures.*
- b. Transportation Fund Stabilization Reserve of 10 percent of annual Transportation Fund operating expenditures.*
- c. An Excise Tax Stabilization Reserve will be funded at no less than \$5.0 million to be temporarily used for debt service in the event there are unforeseen emergencies or catastrophic impacts to the city.*

7

## Rationale

Clarified the policy to reflect that the Excise Tax Stabilization Reserve should only be used towards debt service during unforeseen emergencies or catastrophic impacts to the city.

8

**Financial  
Policies  
Compliance**

**All policies are in compliance with the exception of:**

Financial Policy #21A - waived limitations on bed tax funding available to a single capital project for Tony Nelssen Equestrian Center (TNEC), Museum of the West, Tournament Players Club renovations and Scottsdale Stadium renovations.

Financial Policy #30 - waived limitations related to issuing MPC debt without a dedicated revenue source when approving TNEC.

9

**Action:**

Adopt Resolution No. 12047 relating to Comprehensive Financial Policies and Governing Guidance as the formal guidelines for the City of Scottsdale's FY 2021/22 financial planning and management.

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