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CALL TO ORDER

[Time: 00:00:00]

Mayor Ortega: I call the March 7, 2023 City Council regular meeting and work-study session to order. City Clerk Ben Lane, please conduct the rollcall.

ROLL CALL

[Time: 00:00:13]

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

Mayor Ortega: Present.

City Clerk Lane: Vice Mayor Kathy Littlefield.

Vice Mayor Littlefield: Here.

City Clerk Lane: Thank you Vice Mayor. Councilmembers Tammy Caputi.

Councilwoman Caputi: Here.

City Clerk Lane: Tom Durham.

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Councilmember Durham: Here.

City Clerk Lane: Barry Graham:

Councilmember Graham: Present

City Clerk Lane: Betty Janik

Councilwoman Janik: Here.

City Clerk Lane: And Solange Whitehead.

Councilwoman Whitehead: Here.

City Clerk Lane: City Manager Jim Thompson.

City Manager Thompson: Here.

City Clerk Lane: City Attorney Sherry Scott.

City Attorney Scott: Here.

City Clerk Lane: City Treasurer Sonia Andrews.

City Treasurer Andrews: Here.

City Clerk Lane: Acting City Auditor Lai Cluff.

Acting City Auditor Cluff: Here.

City Clerk Lane: And the Clerk is present. Thank you, Mayor.

[Time: 00:00:47]

Mayor Ortega: Excellent We have Scottsdale police Sergeant (name) and Justin Patrick Casillas firefighter Jasmine Powell today if anyone needs assistance. Let's begin with the Pledge of Allegiance, I will ask Councilwoman Janik.

Councilwoman Janik: I pledge allegiance to the flag of the United States of America. And to the public for which it stands one nation under God indivisible with liberty and justice for all.

Mayor Ortega: At this point, I do want to bring our attention to the war in Ukraine and the ongoing

sacrifice and fight for freedom and democracy. Hoping it does not spread to Poland and other countries. I will ask us to observe silence together. Thank you.

Well, we have begun the process to have this building, the City Hall declared a historic landmark. Like you, I have many fond memories of the early years from City Hall drew regional and national attention. Numerous personalities and city events still echo in this chamber. I am asking the community to share their memories so we can include them as the City Hall application moves forward. Would you please go to our website and send me stories that you may want to share. Please do so before April 12.

Next, I will call on the City Manager Jim Thompson to provide the city manager's report.

City Manager Thompson: Thank you Mr. Mayor and members of Council. This evening, we have a short video for you.

[Video Playing].

Mayor Ortega: Thank you. Next, we're going to have a presentation from the Scottsdale Railroad and Mechanical Society. I will call forward Eric Damko, the president.

Eric Damko: Thank you Mayor Ortega and members of Council. It is my pleasure to be here this evening. I guess I will start with again, first thinking with the pleasure to be here. I have been on the board for eight years, I've been the president of the board for those in my 30 year. I am a native of Southern California originally.

We have such a unique apart, and you guys are aware that at the McCormick River Park. I just wanted to take the opportunity to highlight the ways the counselors work with - - symbiotic relationship that benefits the city. As we embark on this new roundhouse project and the splash pad that will be installed there, we thought we would take the opportunity to highlight some of our achievements if you will. I will start with a brief history of the park.

I do not there is a way to advance the slide. There we go, thank you. A brief history of the mechanical society is that we were chartered in October 1971 and approved by the Scottsdale City Council per the other firstborn many March 24 72. You may reply to 10,000 square-foot model railroad building that was dedicated and built in 2011.

We wanted to point out that was done, when is a non-city Farms, the city was obviously instrumental, but it's an example of how the borders were for the city and we procured funds that were not the taxpayers - - continue to keep that facility free for any tourist paying for the staff for the city employees to keep that open.

The park was inducted into the Scottsdale History Hall of Fame in 2013. What did not make this list, I think it was three or four years ago right before Covid I believe it was voted the number one park in America which I thought was a very exciting and great accolade for the park. All told, running back to

2002, our records go longer.

You procured with private donations or revenue sharing with the park, more than five \$20 million be a been able to funnel back to the park for a lot of unique and fun things. If we could go to the next slide. We just wanted to point out some of our recent park accomplishments. These are all as I recall in 2022. We were able to refurbish engine 207, that is the yellow diesel about the pension that previously have been out of rotation for quite a while.

We refurbished that and turned into the writing rotation. We celebrate our 2 million visitor that opened in 2011. Holiday lights attendance in 2020 was over 33,000 people, more than 7200 people at a summer concert series. Another nearly 90,000 people at our Halloween themed event. Total contribution from the park on the mechanical side to the video Scottsdale was more than \$1.2 million last year in 2022.

We have also had the pleasure of inking an agreement with plexus back in 2021 as a resending sponsor, they have given a pretty sizable donation. If we can move to the next slide. What I want to talk to you briefly about tonight, but we are excited about is the upcoming projects in 2023 and beyond which start with our 50th anniversary of the park in 2025.

We are starting now on something she might do for that including refurbishing some of the other, we have additional rolling stock in the depot that we are looking at. It will take the money to refurbish and get that back on the lines, but that will be exciting for the park. We are bringing back our summer concert series to our pre-Covid number of concerts. I knew Western town façade storage building is going up.

Then the roundhouse project which I know you are pretty familiar with, there is a raining here on the lower right-hand corner. That is the one we have committed at least \$1 million that we've already transferred to the city and we have identified another 300,000 for the mechanical society is ready to contribute. The next slide please. Just a few highlights of the roundhouse project, it will include an indoor training facility they can climb on and play.

If any of you have been to the children's Museum in downtown Phoenix, it's a similar concept, the that patriotic and go up into. The splash pad which is also will coincide with the roundhouse project, we think that will bring a lot of full-time, year-round attendance to the park. You reap a big drop off in the summer.

An additional shade in trees, trying to maximize our use of space out there. This will include an event area. The last slide is some photos of the park. We are very excited and appreciative of the partnership we have enjoyed over the years. Just wanted to reiterate that and communicate that, thank you for your partnership and I will entertain any questions you might have.

Mayor Ortega: We are very grateful, let's give them a hand. [Applause].

I will point out of course Ramada special event are available by making reservations for birthdays, family

events and this Saturday, the 11th, the Rotary Club has reserved the park, one half of it for special day for special kids. That's an opportunity for families and children to be hosted and enjoy one another with a more carefree environment.

There are many volunteers to make that possible with free food and rides and so forth. That is all made possible with the initial gifts and what you are bringing forth in the future is quite outstanding. Thank you so much.

Eric Damko: My pleasure, thank you.

Mayor Ortega: Next, for information, during tonight's meeting, the Council may make a motion to recess into executive session to obtain legal advice on any applicable item on the agenda. If authorized by the Council, the executive session will be held immediately and will not be open to the public. The public meeting will resume following the executive session.

Also, a PSA. Per our Council rules and procedures, citizens attending city Council meetings shall observe the same rules of order and decorum applicable to members of the Council and city staff. Unauthorized remarks, or demonstration from the audience such as applause, stamping of feet, whistles, boos, yelling or other demonstrations shall not be permitted.

Violation of these rules could result in removal from the meeting by security staff. This also allows our meetings to run more efficiently in everyone's interest. Now, we are moving on to the public comment announcement. Public comment is reserved for Scottsdale residents, Scottsdale business owners and/or Scottsdale property owners to comment on non-agenda items within the city council's jurisdiction.

Advocacy for or against a candidate or ballot measure during the Council meeting is not allowed pursuant to the Arizona State law and is therefore deemed to be within the Council jurisdiction. No official Council action can be taken on these items and speakers are limited to three minutes to address the Council. We allow for up to five speakers. I sure that we have several that are signed up.

As I call your name, you will be coming forward. Please take your place of residence. You have three minutes each. We will begin with David Fitzgerald and then Philip David. I do not see David Fitzgerald's, so let's move on to Philip David. Thank you, I see you coming forward.

Philip David: Good afternoon. I thought I was speaking and commenting about the sustainability plan.

Mayor Ortega: Excuse me, we will have a work-study at that point, you would come forward. It was mistakenly, so we will hear from you later. Thank you for announcing that. If you are speaking to an item on the agenda of course, you will have an opportunity when that agenda is subject. At this point, we are looking at non-agenda public comment. Next is Alex McLaren and then Francine.

[Time: 00:18:45]

Alex McClaren: Mr. Mayor members of the Council, (states name and address). I am here to speak about the Rio Verde Foothill water situation again. I know there's been a great disappointment over what is occurred over the last few days, they seem to have been a major miss communication between the city and the county. I'm not sure how that occurred, but when we had a hearing two weeks ago, I think a lot of members of the Council seem to think that the agreement wasn't going to go forward the obviously the county did not.

The county supervisor I believe sent a letter to the city on the same day you approve the 21st and the agreements. I'm a little - - approved an agreement which was not agreed to buy the opposite party. With my stint in the city, we negotiated many IGA with the Bureau of Reclamation. He would only bring go to the Council if both parties were in full agreement on what will be there.

It is disappointing I am sure for you, especially the people and real Verde who were under the impression they might be getting some water. I see the county has adopted a resolution which is pushing the idea of an interim solution. I also note from the article in the Arizona Republic over the weekend that this is an idea that was around last fall.

There was discussion between the city and the county about the possible providing of water on an interim basis as well as the application to the Arizona Corporation Commission. That went nowhere because the city was concerned about the growth in the real Verde area. It can be limited obviously; nobody supports unlimited growth in the real Verde area. That is part of the deal that is supposed to be negotiated with the county that the city had concerns. The city can still enter into an agreement where you limit the amount of water that you would provide on an interim basis.

That in my view is the way to go. I am not sure how you move forward now. And Cupid.

Mayor Ortega: Thank you, next we have Francine.

Francine: Good evening ladies and gentlemen. I am here to speak on the sustainable topic here.

Mayor Ortega: Thank you, we will call you back during work-study. Accordingly, is another request to speak public comment and non-agenda item. I close public comments.

[Time: 00:22:41]

Next, I will request a motion to approve the minutes, special meeting minutes for February 14, 2023, executive session minutes of February 14, 2023, regular meeting minutes of February 14, 2023, to have a motion in the second?

Councilwoman Whitehead: So moved

Councilmember Durham: Second.

Mayor Ortega: Any discussion? Seeing none, please record your vote. Thank you, it is unanimous.

CONSENT AGENDA

[Time: 00:23:16]

Next we have consent agenda items one through 10. Please note that item number nine, Savanna Bananas baseball exhibition event funding is being continued to March 21, 2023. Now at this point, we will be looking at consent agenda items one through 10 except for item number nine.

Also at this point, I would open public comment for any of the consent agenda items as posted. Seeing none, no indication, I would close public comment. If there any questions from Council, I would entertain a motion regarding the consent agenda items one through 10 exclude number nine.

Councilwoman Whitehead: Mayor, I will go ahead and motion to approve consent agenda items one through 10 with the exception of nine.

Councilmember Durham: Second.

Mayor Ortega: I also see a hand up from Councilmember Graham.

Councilmember Graham: Mayor, can we pull item 4?

Mayor Ortega: Item 4 was requested to go to regular agenda. So you will have an amended motion on consent agenda items.

Councilwoman Whitehead: Yes, I will amend my motion with the exception of item 4 and 9.

Councilmember Durham: Second.

Mayor Ortega: We have a motion and the second, seeing no further comment, let's record your vote.

Vice Mayor Littlefield: Yes.

Mayor Ortega: Thank you, they are unanimous.

ITEM 04 – UNDERGROUND WATER INFRASTRUCTURE JOB ORDER CONTRACT INCREASE

[Time: 00:25:02]

Mayor Ortega: Next, we will move on to our regular agenda. Beginning with item number four. We will ask our presenter to come forward, item number four pertains to the contract modification job order for citywide underground - - construction services and resolution on a JOC, job order contract. We will have a presentation from our city engineer.

Alison Tymkiw: Thank you, and good evening. So this item you have before you is increasing a single job order limit for one of our underground water infrastructure JOC cottagers. This is specifically to do a construction project installing a parallel 24-inch sewer line on the TPC up behind with the draft kings is being currently constructed.

So, our original job order limit for these types of contracts was \$2 million per job order. This project is a \$3.3 million contract. We would like to increase the job order limit onetime to \$3.3 million so we can do this utilizing our job order contract. This allows us to do this project within the required timeframe. We are required to get onto the property in March and we are trying to get this constructed while the Draft Kings is being constructed at the same time. So this way we are not coming back at a later date to do this project and disrupting the area a second time. Are there any questions?

Mayor Ortega: Thank you, also Councilwoman Whitehead and Councilwoman Janik?

Councilwoman Whitehead: I did ask about this off-line and appreciated the answer, the point is the proposed cost of this project has not changed?

Alison Tymkiw: That is correct.

Councilwoman Whitehead: Thank you.

Mayor Ortega: Let me go to Councilwoman Janik the Councilmember Graham.

Councilwoman Janik: Thank you Mayor. Just a quick question, what caused \$2 million to go to \$3.3 million?

Alison Tymkiw: Councilwoman Janik, it did not go from 2 million to 3.3 million, the project is a \$3.2 million project. We have different opportunities to solicit our contractors. We can do a low bid, use our job order contract or go do another form of selection which I know you are familiar with. The job order contract is set up, this particular one starts out as a two-year contract with a limit.

I believe it is a \$5 million limit per year and each job order had a \$2 million limit. We are looking forward to procuring project utilizing the job order contract up to \$2 million. In this particular instance, we refer to the job order contract for the reason that I mentioned, for the timing to be able to get this done at the timing is required with the draft kings project and not going in later and with the TPC constraints with the timing they want us to do that.

In order to do that we are requesting to increase the job order limit to \$3.3 million for this one particular contract. We have done this, I would say a handful of times within the last two years and mostly because of the smaller projects that we used to do with the job order contract are now growing. We would like to actually increase the limit formally. We would come back to you once we renewed the job orders, but we would like to renew at higher limits when we come back so we don't have to come back on particular instances. This budget has not increased, this is the budget for this project, we are just

utilizing the job order to finish it.

Councilwoman Janik: Thank you, I appreciate it.

Mayor Ortega: Thank you, Councilmember Graham.

[Time: 00:29:45]

Councilmember Graham: Thank you Mayor. Allison, thank you for your presentation. So, have there been no scope changes as far as materials, dimensions, human hours, anything like that?

Alison Tymkiw: That is correct, there has not been any increases. This is the estimate from the project.

Councilmember Graham: What is the source of the funds for this project?

Alison Tymkiw: This is one of our infrastructure improvement projects, I'm not exactly sure of the exact funding source but I could get that to you.

Councilmember Graham: Okay, very good. Does this affect, the Council passed an FY 23 budget, does this effect timing of FY 23 or 24 budget as far as acceleration of anything?

Alison Tymkiw: No, it does not affect that.

Councilmember Graham: Does this project benefit the DraftKings facility whatsoever as far as we would be able to capture reimbursement or matching funds?

Alison Tymkiw: Councilmember Graham, I will let Brian speak to that, this area actually is going to be funded, there is a more sewer improvements in the area and it is going to be funded and reimbursed by developers, the developers that are benefiting mostly with the Arizona State land sales going up with some of the other developers in the area. Brian can probably speak more to that.

Brian Biesemeyer: The predominance of this project is impact fees. It is being funded through impact fees, the increase of that sewer size through that area. We're doing this time as Allison mentioned for timing purposes to get this done, you will come back for other like the same project at later dates, but this one particularly because of its location and not wanting to disrupt this at several different times, we are asking for a single time.

Councilmember Graham: We definitely hear sometimes were some XYZ government digs up the road, replaces a pipe and covers it and they go to get back up to pick something else, right?

Brian Biesemeyer: Exactly and we're trying to avoid that.

Councilmember Graham: Okay, very good. So, there is a chance you think for reimbursement from the

matching funds?

Brian Biesemeyer: Not matching funds, but impact fees. When developers put in, they pay impact fees. This project was on our intersection improvement plan, which is set up the funding of impact fees.

Councilmember Graham: Very good, thank you Brian and Alison, thank you for your presentation. Mr. Mayor, thank you for allowing me to ask those questions.

Mayor Ortega: Thank you. I moved to adopt resolution 12751 authorizing job order contract 2020 zero 60 with B and F contracting incorporated increasing the single job order limit from 2 million to 3.3 million for underground wastewater infrastructure construction projects.

Councilwoman Whitehead: Second. I again want to stress to the public, the budget for the project did not change, just the timing of when the money comes in. Yes, second.

Mayor Ortega: Thank you. Just explaining for further job order contracts, we write them for electrical services, we write them for plumbing services, it is like on demand building a relationship with major contractors because there are projects all over the city. With that, I see no other request to speak, please record your vote. Thank you, unanimous.

ITEM 11 – CITY’S PROPOSED FISCAL YEAR 2023/24 RATE AND FEES

[Time: 00:33:39]

Mayor Ortega: Next, we will move on to regular agenda item number 11 which is the city's proposed fiscal year 2023 2024 rates and fees. Our presenter is Judy Doyle, budget director also Brian Biesemeyer Water Resources Executive Director, Dave Bennett, Michael Clack, Chief Development Officer, Bill Murphy, Assistant City Manager and Tom Shannon, Fire Chief. We will begin with the presentations, thank you.

Judy Doyle: Thank you Mayor and members of Council. Tonight we are here. Present the proposed rate and fee changes for fiscal year 23/24. I will mention the tonight there is no action needed by you, this is for presentation purposes and informational purposes and an opportunity for you to provide feedback. He will be back on May 16 to have you adopt those proposed rate and fee changes.

Tonight, each division will present to you in detail the proposed rate and fee changes. The proposed rate and fee changes will then be posted to the city's website so the public will have an opportunity to review at least 60 days in advance of the public hearing and adoption on May 16.

Just a quick overview before we get into the details, we categorize our rates and fees by enterprise and not enterprise. For the enterprise category, per our enterprise financial policy, enterprise rates and fees are reviewed annually and should recover all direct and indirect costs of service, debt service and to provide adequate funding for future capital needs.

Under this category, water resources and public works will be sharing your proposed rate and fee changes. For the non-enterprise category per our revenue management policy, not enterprise rates and fees should be reviewed periodically and should be set based on an acceptable recovery rate for direct and indirect costs of services.

Tonight under this category, planning and development services and our fire department will be sharing with you their changes. Overall -- total an additional 9.7 million in revenue and the non-enterprise revenue -- total approximately one 20 million in additional revenue. An additional -- 600,000 and the special programs fund without him I will turn it over to Brian Biesemeyer our Water Resources Executive Director to present his proposed rate and fee changes.

[Time: 00:36:48]

Brian Biesemeyer: Good evening Mayor and Council. I will be presenting the water and wastewater rates and fees. Just as was stated, we are an enterprise operation. We recover all of our direct and indirect costs of services to the rates and fees that we charge. They are based on multiyear financial plans. Some significant cost drivers. Since you look at the coming year, our cap water cost will go up 27%, SRP up 10%.

We have an increase in the conservation budget, the good news is we have a lot of people interested in rebates. That riser conservation budget up which is in the long run a good thing as we get more and more people the ability to save more water. We have some increase tapping on conservation compliance as well as increased operating cost for a water treatment plants. That is in our SRP service area.

As we leverage that SRP service area, we can pump that water North to display some demand in central Arizona project delivery area. We anticipate increased use of a water treatment plant and increase groundwater treatment costs. We have a number of groundwater wells that require arsenic treatment. Arsenic is in many of the different parts of the aquifer and retreat that only pump it out.

Due to cutbacks in the Colorado River water, we just be pumping more groundwater and less treatment of that groundwater. Real quick, on major categories in our operating budget, you will note that little sliver of capital, net operating capital. The primary portion if that is vehicles. We have one vehicle that the largest portion. Previously, we leased a no -- truck which gives us the ability to flush our system. We leased the truck for the last several years which allows us to not flush the traditional way.

Traditional way is to take a hydrant, he opened it up and push water down the street and let it run. Then you turn it off and go down to the next hydrant. This truck allows us to take the water and commit filter it and get back in her system. Millions of millions of gallons in the long run. We think the proper time to invest in that truck.

Policing is problematic in the fact that we cannot always get it where we wanted to. There's a lot of competition for it so we like to, we are asking as part of a budget for the truck. Some more information

on our cost and how they have been increasing over time. You can see personnel services have gone up, we are in a very competitive market. I'll talk about that later in the presentation. Purchase water as I mentioned has gone up dramatically.

Electricity, we've been pretty good about optimizing our electricity and have kept that really stable. The same way with chemicals, they have been rising tremendously, but we have worked hard on optimization so with the next year we are going to be able to keep that flat. In our capital improvement program, the driving things are ASR wells, automated meter programs and the water processing efforts. We have increased cost of the habilitation of our aging infra structure as well as technology and security expansion and improvements.

[Time: 00:40:53]

Construction cost is coming up and we are feeling a lot of this pinch. This from the Bureau of Labor Statistics, and you can see how the orange line which is the construction index compared to the consumer price index has gone tremendously. Particularly in electrical gear. I conclude that 30% we experience that can only be experienced that, we also had delays. That is unfortunately while we are still talking ASR wells only started the project in 2019. It's over a year and a half delays the major electrical equipment these days, backup generators, the same amount of time.

It is just tremendous amount of additional cost but also the laser infrastructure. Summarizing our capital improvement program in this year's request, you can see that water is up \$110 million we are able to reduce the somewhat due to the pushing out. We have a planned expansion of our water treatment facility to meet Max demand. We push that plan out and we are able to get our costs down to 65.3 million.

In sewer, we deny having to push out and redeveloping more sewer assets to recycle our water, thus the additional cost there. We bring more water up to our water campus as well as expansion on the reclamation side of the water campus to make sure we can treat that water that we pump up. Overall, the revenue increase we are asking is 4.2% on water and 520% on wastewater. Miscellaneous service charges, I have a slide, their cost based. They are all cost-based increases. Overall, you can see our current estimates in those increases.

On the water side again is bringing an estimated 4.8 million in the wastewater sewer, 2.7 for a combined 7.5. Those are overall revenue, how does that affect our customers directly? This slide shows the base rate on the water side. As Council remember, we had two components of our water rates. One is a base rate which is there to account for having water present and available 24/7 365 to turn that on and designer systems to have the capability. That is what the base charges are for.

It's based on meter size and the amount of water we can actually provide to our residents. It goes to the flow capability of those meters. We also have a volumetric charge. In our residential, we have five tears. You can see we have increased tears two through five. Additionally, we have condensed down our tears in three, four and five.

We are trying to make those tiers smaller, people can go through those tiers more quickly but given today's environment, that is actually a good thing to encourage folks to save water. On commercial, we are for two years with the same philosophy. We are raising tiers two, three and four and consolidating the tiers the smaller tiers. On the wastewater side, we have a similar rate structure.

Yet the base rate and the biometric charge, it's a little different on the sewer side because of the sewer area, we don't physically measure wastewater coming back is cost prohibitive to put meters and everybody sewer line we set a base rate again is for that ability to accept and collect and treat that wastewater 24/7 365. We do based on the meter side could overall the meters are indicator on how much water can come back to the system. We had one exception and that we have said all the residential meter sizes 5831 inch as a single block unit and they are thus the same cost because most homes, it is really the inside of the home we get about the same amount of wastewater back from those.

[Time: 00:45:53]

Then our volumetric is also a little different on wastewater, it is set by the type of customer and the strength of the wastewater. One of the big issues is restaurants, we will see that they are much higher because they have a higher strength of wastewater returning to us than fats, oils and greases. It is more difficult to treat. What is our history? You can see our five-year average, overall, of 2.8% in the 10 year average of 2.5 which in the last four years is well below what I showed you even with the consumer price index for overall commodities.

Then miscellaneous service charges as I mentioned, these are the ranges of those, quite specific per meter as such. We've only summarized them. I can provide individual specifics, but there also posted on the website. So, we set our rates based on our needs and revenue projections. We do like to provide counseling comparison of waiting we stand versus other cities, how to our customers pay compared to other cities?

As I've always said, is not always fair to compare to Chandler and Gilbert, those are the flat cities, then pump water around much. We compared the natural beauty of Scottsdale, we have some topography that we have to work with and that always cost you a little more. Can't give up the views for that. This is what we traditionally do and I apologize, you will see four slides on comparative rates, I normally just to two, but what we have done is historically over the last 10 years, we have shown is typical customer but these are not typical customers anymore.

The good news is that they have reduced their water consumption. We don't want to keep showing someone that is not typical customer. This is what we have been showing. You can see for a 5/8-inch meter with these consumption patterns, the increases \$2.73 per month for this formerly typical customer. For an average customer, we went back and looked at the average. Next year I will show you this average, but I wanted to be transparent. This is for the average customer, the good news is now consumption is down to less than 10,000. It is 9000 gallons, kudos to our customers.

And for this average customer, it would be \$2.26 per month increase for the overall bill. Also Anders, these are the existing rates for all these other utilities. Almost all of them have proposed rate increase that would go to the elected officials. They keep close to the vest, but I can tell you talking to their staffs, all they have rate increases, some of them are very substantial rate increases. So this is what we normally show for a 1 inch meter, this typical customer with the 70,000 gallons and 12,000 gallons in the wastewater.

What is customer, the increase would be \$4.52 a month in their water and wastewater bill. You can see that we have, and almost certain that when I come next year to you, people would be back down under those two cities. However like I mentioned, on our average, our average is not there anymore. Our average is 16,000. He related to be a little less, but for these average customers, that would be \$4.31 increase for these folks.

Again my apologies, we will get through these a little more quickly. I'm talking about my cost and rates and such, I think it is sometimes not correct to just show cost without showing what it means for your money. We look at our utility and we have a top-tier utility in Scottsdale. I'll just make that up, look at nationwide statistics to compare that to.

These are taken from American water Works utility benchmarking survey that is in every year. It comes out with nice thick books and has tons of statistics, but to put them down to some key ones here, customer accounts for employees. Obviously, the more customer accounts employees are indicating how lean the application is. The top tier, top 25 is 616, we are 7073. The debt coverage ratio, industry meeting, we are not quite in the top 25 but we are well above industry medium.

This is one of the areas where mentioned and you saw the salaries, we have had a lot of retirements are difficult to compete in the market with. Thanks to the city manager and human resource director, we are reevaluating as we speak some of our salaries for our operators there. Technical jobs require years of certification, years of experience to get certifications that are critically important.

[Time: 00:52:08]

But the number of retirees, we have been struggling in this turnover area. So we are optimistic that we will improve that, but it is a little bit of the nature of our business with the demographics of our workforce. Nevertheless, water breaks per release 100 miles. This is a comparison that is important for a number of reasons.

One, customers only to be without water. When you have a break invariably, somebody is that without water. Additionally in our current situation, we do want to lose water. We can avoid them altogether. Top 25, 10.2 and we are 2.2. Thanks to our fire department too, they go out there and test our fire hydrants as well. With that you can see the top 25's .2% and we are .03%. Last, sanitary sewer overflow is sewage flowing down the street that overflow from the manhole. This happens from time to time, Greece and other things get clogged, sewer lines.

You can see the industry median at 1.6, top 25 at .7 and we are at 0.13. I did want to put those in context, I recognize that we are discussing what customers will pay and want to do with and perspective with service. One final thing, we push these rates and the tier structure, we are trying to encourage folks to use 10,000 gallons a month or less. If they cannot use 10,000 gallons per month or less, you can see that their water rate increases are fairly modest.

Our rate increase would be one dollar per month on the water side at - - one inside, \$1.40. If they can keep their consumption below 10,000 gallons. So in summary, we are looking for a rate revenue increase of 4.2% on the water, 5.8% on wastewater and miscellaneous charges as I discussed. That includes my briefing pending your questions.

[Time: 00:54:41]

Mayor Ortega: Thank you Brian. I will lead off, then we have Councilmember Graham and Councilwoman Janik. Could you recap to us how widespread our smart meters are and you so we can keep tabs of flows?

Brian Biesemeyer: We are currently at 47,000, all of our meters are smart meters. They are all drive-by capable reading. So somebody does have to go out and read them, they are all electronically capable of - - what is AMI or what is available in near real-time through a direct radio signal on a real-time basis. We have 47,000 of them now and by the end of the year, we will have 50,000.

Over half of our customer base will be having that availability of getting, going to our website, getting on water smart and finding out what their consumption is in the near real-time basis. The last hour of consumption, they can see that. We want it to be faster and further out but again with all the supply chain issues that have occurred, we have just not been able to expand the system as fast as we would like to. As soon as we get in the equipment, we install it and we are hoping over the next year to two years to finish out the majority of our system. Again, we have been constrained by supply chain issues.

Mayor Ortega: Thank you. I did have some questions about the retention and so forth, but you answer that we are responding. I just thought I would cover because I watched water campus being built and of course it pulls water out of the SRP canal under 82nd Street, that 5-inch pipe under there. The point I was asking was, I observed Scottsdale PD facilities, I know we have surveillance. Those kinds of costs for securing their sites and the integrity and protection of our property in this vital infrastructure, that is not show up in any of these costs?

Brian Biesemeyer: It did in the CIP, I want to talk about our CIP cost and I will go back to that.

Mayor Ortega: Maybe the systems themselves for surveillance, but when we have officers I have seen on campus.

Brian Biesemeyer: Yes, our PD has an office for which we gladly share and appreciate their presence.

But, we do a lot of security equipment, cameras and other sensors out there in our system and that is with the facility technology and security improvement are about. An additional cost for capital program.

Mayor Ortega: However, the police force themselves or the precipitation of the fire department to crosscheck hydrants and the system, that is not necessarily chargeback to the enterprise fund, is it?

Brian Biesemeyer: That is not.

Mayor Ortega: That is over and above. Okay, I thought I would look at the matter. It takes a lot of secure systems and we expend a lot to do that from other departments. Councilmember Graham and Councilwoman Janik.

Councilmember Graham: Thank you Mayor. Brian, for the chart with the base fees, it is a small request, when you come back for the final vote, what would be illustrative is that could have a column for percentage change.

Brian Biesemeyer: Sure. This is roughly 12%, a little higher on the wastewater side, 12% on the base fees. Again, we need more revenue percentagewise on the wastewater side. This is a little higher on the base fees but as you will note in wastewater those have been lower than water over time. Great question, this is, let me get to it, it's about 3.5 on the waterside.

Councilmember Graham: I think that could just be illustrative. You mentioned pumping more water, can you say a little bit more about that?

Brian Biesemeyer: Sure, we're trying to do this for two reasons. If the makeup a large Katsina river water, to make up that we anticipate pulling from our groundwater reserves that we've been putting in the ground for decades. We anticipate doing that somewhere pumping from our wells.

[Time: 00:59:58]

Also the need for those ASR wells to finish those ASR wells to give us more capacity on the waterside. Additionally, pulling water from our water treatment plant north, we have some water, in general, SRP water cannot be taken out of the SRP service territory. That's the limitations they place on us. We have some sources, one is new conservation space. Years ago, Council wisely approved the investment in the raising of Roosevelt Dam. We in the number of partners helped raise that dam and we get space behind the dam.

Councilmember Graham: They are trying to do that again I understand.

Brian Biesemeyer: With Bartlett dam this time. Council has approved us participating at least in the study side of that. But the new conservation space, water is water that we can pull down and push north out of the SRP service area to help supplement cutbacks.

Councilmember Graham: Since we are going to be pumping more, are we also want to be charging some of those aquifers? We have been getting our allocations from SRP and the CAP having greater than our usage, so we've been adding water to our bank deposit. Are we now drawing on our savings?

Brian Biesemeyer: Perhaps. I get to know the exact cuts are so I can't really answer that. They could get to the point where we would be drawing on the savings for a period of time. I can't exactly answer that right now.

Councilmember: We just don't know some of the information, thank you Mr. Mayor.

Mayor Ortega: Thank you, councilmember Janik?

Councilwoman Janik: Thank you Mayor. Thank you, Brian, for a great presentation. Could you go back to slide 13? Quick question, I believe that is an increase in costs. Have you seen any relief in any of those cost increases? Recently.

Brian Biesemeyer: In truth, I have not. The just hitting is really hard and it hurts the commission for two reasons. It hurts because we get delays because of it and their budget continues to go up. I do have a slide. On our ASL program on our capital, if I can get that up. You can see the deep well recovery, that is truly 8.2 million is a cost increase to address those issues with that well program. You can see the other increases in our capital budget in FY 24. These are just the major ones. You will note that the map is not quite match up because of the major projects. I thought it might be informative to show you that yes, we are seeing those costs.

Councilwoman Janik: Thank you, I appreciate that.

[Time: 01:03:24]

Mayor Ortega: Thank you, next we will move on to public works, solid waste and once again, thank you Brian. We want to stay ahead of the curve.

Dave Bennett: Good evening Mayor and Council, my name is Dave Bennett and I serve as Solid Waste Director for the City of Scottsdale the tonight I will go over the proposal rates and fees for solid waste. We gather this information from the Bureau of Labor Statistics, the graph shown compares the Phoenix area and the national CPI annual averages.

As you can see in the redline of the top of the graph, in 2022, the Phoenix area annual CPI is trending about 3.5% higher than the national CPI average. Solid waste is proposing a rate increase for its residential customers that mirrors that national CPI average. For our 84,000 single-family home residential customers, we are seeking an 8% rate increase in a 5% rate increase for our commercial lines of business.

The rest of the slide includes roll off rate and different nominations of pickups. We provide to our

commercial customers including the 5% increase. This slide shows rate increase forecast over five years. The first column shows the 8% increase for our residential customers and the 5% increase, excuse me, 8% for residential, 5% for commercial customers, my apologies.

The 5% increase in our out years is to accommodate inflationary impacts as needed. With regards to her miscellaneous fees, this slide shows the licensing fee that we charge our 30+ companies that operate in the city of Scottsdale waste management services and some of the small mom-and-pop.

The licensee helps cover crops monitoring to be companies' behaviors and special cleanups related to hydraulics bills and truck fires, unfortunately. This chart breaks down what is contributing to the 8%, or \$2.07 off the residential rate increase. As you can see in the light blue area of the chart, 54% of the proposed increase is due to increased landfill fees and recycling costs, about \$1.11 and another \$0.70 of that. The area green represents the additional FTE we are seeking to reduce actual overtime costs. This accounts for 31% of the proposed residential rate increase.

With regards to a landfill fees, in our IGA with the salt River landfill, does allow for a CPI increase which as you can see this year was approximately 9%. However, IGA does have a 3% CPI For our transfer fees. In October of last year, Council approved a one-time increase to this fee to increase transportation cost for the past 20 years leaving this line of business. This leaves the Scottsdale community spamming to find a replacement. Please keep in mind that the salt River community allow the city to be part of the IGA process so we saw the costs were totally transparent.

Recycling costs, money presented the slide to Council last year, is that the markets were far more favorable than they are currently. In March of last year, commodity prices increased to a point in which the revenues received from the sale of recyclable material exceeded the processing cost. It resulted in a net payment to Scottsdale for its recycled material. Since then, commodity markets and volatile and have declined dramatically. Some of the reasons for this volatility in the market decline a higher inflation and rising interest rates.

[Time: 01:08:33]

Both have wicked consumer demand and the demand for raw material. I do have a little bit of good news on the recycling front. The material processing facility at the salt River landfill was lost to a fire in 2019. The new facility is scheduled to open in June of this year. The good news to report here is that the processing fee that we negotiated with the salt River community is much lower than Phoenix's processing fee. How much? \$29 To be lower, to be exact.

That means our net cost for recycling will have us paying less than Phoenix for the new facility is open. Also, just a side note on the slide, one of the things that slow down the facilities by various was the requirement for the facility to add that \$400,000 water tank. This facility, if this facility was ever to experience a fire in the magnitude of 2019, that tank would help with the water supply to combat the fire. Moving on, so some of you may remember, last year we experience and struggles in the -- collection program.

I am glad to report the brush and both crewmembers were able to remain 100% on time this year, great news. The additional attractors help increase productivity and retain staff. That is really important. Mayor and Council, thank you for your continued support of this program. In 2021, solid waste added dashcam's and side view cameras to all of its collection vehicles.

In doing so, we continue to see big reductions in vehicle accidents and property damage claims. Just like last year, we will share a video with you. To respect everyone's time, I will shorten the length of this video. It shows one of our employees reacting to a fire on his truck. The employee was able to find a location to dump the kindness of the truck to the nondigital public or risk damage to private property. More important the video and its full length tells management, how employees are reacting to the employees that we provided to them.

Before I go forward, I hope you'll get this right. Before I do, this is the dashcam that is inward and outward. It's a little blurry but this is a rear camera video. We have a couple of side views of the truck. You'll want to focus on this at the hopper view of the truck with the experience of fire and he reacted to it.

[Time: 01:12:09]

Again, I wish I could've shown and its full length, but it shows that the employee followed the rules by cutting the appropriate supervisor, it is a real - - managed dumping his load, we will contact police and give the location and so forth. Piercing definite improvements with the help of the dashcam's. With regard to comparing rates to other valley cities, Scottsdale relates in the middle of the pack.

As Brian mentioned, there are factors with other cities as far as their layout and so forth. The level of service that we provide to our customers far exceed most of the cities on this list. Quick summary slide, this slide shows a revenue each program will generate the proposed rate increase. Lastly, for those might be wondering, why we are seeking an 8% increase in residential, and a 5% increase in commercial, please keep in mind that we manage both programs independently to recover costs.

The residential rate increase reflects the additional FTEs and bears landfill and recycling costs and a larger portion of the city. With that, I'll and the presentation and be available for questions.

Mayor Ortega: Thank you very much. I see no hands up at this point. We will continue with the next section. I do want to commend you on safety. Really that is what we look at their risk management as well. Congratulations on that. Continue.

Next, we will look at the non-enterprise, in particular the planning and development services, our director Michael Clack will make his presentation.

Michael Clack: Good evening Mayor and Council either tonight to present to you all are not enterprise planning and development services the spirit moving out of the first light, we have proposed

adjustments to our fees as you all know, that each year we analyze our fees in order to recover our direct and indirect costs of service.

Our fees are scheduled to be increased by approximately 5% to allow the higher cost of recovery and to properly and timely address customer needs. We also have a proposed adjustment for wireless mitigation facilities and the right-of-way fees excluding the pre-July 2009 sites. This increase is approximately 3%.

Again, to allow for higher cost of recovery and be sitting with lease payments the wireless industry. We are proposing an increase in the stormwater fee on the city utility bill. We are increasing this by one dollar a month, this is dedicated entirely to city drainage and flood control CIP projects. The first one is the water analysis review fee, this is proposed on the application fee - - the growing compliance fee, this is a plan review fee that is related to the mandatory green building requirements assessed for East commercial project.

Many of you may remember the presentation we had when we made the national preconstruction code mandatory. That is scheduled to become mandatory on July 1. This is to help pay, making sure we have compliance with the green construction code. On this slide, we have our chart we will go over the current fee for planning and development rates of services fee. The increase varies per user but the revenue changes about a little more than \$904,000.

Our wireless communication fees and the right-of-way, that is going to vary, per user of the revenue changes about a little over \$26,000. Our drainage and flood control capital projects, each user will see an increase of one dollar in their bill. That is scheduled to generate a little over \$1 million in revenue as a result of the change. The water analysis review fee is \$500.

[Time: 01:17:38]

Again, this is a new fee and we are scheduled, predicting that we will be bringing in \$1500 in additional revenue. Our green building compliance fee, the proposed fee is \$600 per user or per commercial project coming in. That is scheduled to bring in a revenue of about a little over \$309,000. That concludes the presentation. Do you have any questions? I will try to answer them.

Mayor Ortega: Thank you. Councilman Caputi, Councilman Janik, and myself. Councilwoman Caputi.

Councilwoman Caputi: Thank you, have a couple questions. So, we're going be charging a \$600 fee for the new green building codes. We want people to do the right thing and spend more money being green, then instead of giving them rebate or encourage in to do this, we will actually punish them for trying to comply with the code.

I am actually struggling a little bit with that fee. I think this is part of the reason why mandating these codes was hard for me to get on board with in the first place. What we're saying is that we will need a whole other level of city staff and bureaucracy and costs in order to actually enforce these codes that

we are having to do.

Again, we had most of the larger developers already doing this. What we are saying is now we are going to have to hire a bunch of extra full-time employees in order to enforce, which is going to increase the cost for everyone and get passed down to the end user. To me, when we talk about affordability of housing in these issue that we debate, this is just making the problem worse.

My biggest problem is that it is sort of discriminating against small businesses. I think what I would like to see, I am okay with it, it's the same way I felt about the green building code. If we could enforce this for large developers or someone asking for amended development or amendments and zoning, that would make sense to me.

It doesn't make sense to me to enforce this for every single user because again, the smaller users don't really, they can't show a payback on some of the stuff. We are loading up their costs and asking them to pay us even more, which means it will be worth it for them. For me, that is a disincentive for small businesses to go ahead and make this happen. It feels like we are punishing the behavior that we are trying to encourage.

I would prefer to see this fee for large developers that are asking for amended standards, that would make sense to me. It does not make sense to make it across the board. I just don't see the cost benefit. The last thing I want to say is that you are also increasing the time of inspections. I am on the phone sometimes helping people to decrease that time, right? For they are waiting on a job site.

Now we will have to have a whole other staff member go out and do an inspection which is fine, but all these things are loading up the costs and I don't understand why we would need to create another level of pricing on top of something that we are trying to encourage and bring down. We want people to do this, we don't want to punish them to do this, that is my two cents, thank you.

[Time: 01:21:35]

Mayor Ortega: Councilman Janik, then Councilwoman Whitehead.

Councilwoman Janik: Thank you Mayor. My comments are somewhat similar to what Councilman Caputi just addressed. My first question is, we have a lot of people voluntarily do the green build, did we charge them \$600 extra for a voluntary green build?

Michael Clack: When it was voluntary, no, we did not have this fee.

Councilwoman Janik: That bothers me that there is that inconsistency. If we have more, we will have more green construction builds which means the people that are doing the regular review will now be doing the green review. Has a credit been given because I would assume we won't need as much staff doing the regular review because we now have the green review. Has that been considered to give them a discount?

Michael Clack: No ma'am. The reason we are asking for additional staff is because the staff members that are doing current review on all the commercial projects are at capacity with the amount of work they have to do. To ask staff to come back and do additional reviews for green building, I don't think it would've been as sustainable because it would've impacted our ability to turn around review times which right now is 21 calendar days from the time the projects are submitted.

Plus, even though I have staff training as best as they can on this, it's a new review, a new ordinance that typically the only person that has been doing this has been Anthony Floyd. With the rate of projects that were coming in, he was able to keep up with that. When it was made mandatory, now that every project had to go and do this, what we did was we took a look at what we did last calendar year, which was a little over 400 commercial projects that were coming in.

That is a lot more commercial projects and we are still trying to keep our time frames for plan review. That is why we need the additional staff members that would do not only the plan review, they would also go out and do the inspections. Inspections for the green building will be a little bit different because they will be going out a little more proactively on certain items to make sure the people doing the right thing as far as that is concerned.

There is some additional paperwork and things that need to be submitted show compliance. For example, with how they are recycling materials. That is why we needed us additional people. Those additional people also help keep within our regular time frames. That is why we felt like we needed additional resources.

Councilwoman Janik: Then another question, is there any grant money or any available government perks because you are switching to a green plan that maybe we could tap into? Has anybody looked into that? Or, is that not even a possibility?

Michael Clack: I can research the and try to find that out. To see if there is something available for that.

Councilwoman Janik: Okay, I guess along the same line, is there any way you can try to reduce the fee in some manner, shape or form? I would just appreciate that. It goes along with what Councilwoman Caputi said, they're doing the right thing and now they have an extra burden. I do appreciate everything that you said and I understand why it is there, so thank you.

Mayor Ortega: Thank you, I want to mention that I will call on Councilman Littlefield who was remote. I will mention her after I go to Councilwoman Whitehead that have Councilwoman, Vice Mayor Littlefield if she has any comment.

[Time: 01:26:03]

Councilwoman Whitehead: I want to remind everybody that there is often a cost of not doing something, but the \$600 fee, I could see if we were saying trash fees are going to \$600 up, that will

cause some heartache, isn't it?

These fees are for developers that are coming commercial buildings. Many of these projects are \$10 million, \$50 million, I just have to wonder if a \$600 fee knocks you out of the game, should you really be building commercial buildings? I am pleased that once again our timeframe for approving permits is not changing, kudos.

I think Scottsdale on every front is the lowest-cost city or one of the lowest cost cities for doing business one of the most effective cities at doing business. I don't have an opinion on the fee other than I want to point out that we need a fee and we need code enforcement to check that our developers are in fact building quality buildings.

I think we are reminded why when we look at what happened in Turkey and what happened in Syria. You know, the United States believes that developers should spend a little bit more to produce buildings that we will survive in when there are catastrophes. And heat is the number one killer in this country for environmental causes. So what we have done here is we have cleaned up our air, we are reducing urban heat and did anybody here that we are having some Colorado River water shortages?

These green building codes reduce the water usage in our future apartments 20%. That is the tip of the iceberg of why six to one this Council approved green building codes, to save money and to save lives and produce quality construction that Scottsdale has always been known for. I think we do need more staff.

Again and again we find out that Scottsdale is doing more work with less staff and doing a better job at it. I think a \$600 fee on a commercial building seems reasonable. I think one of the complaints I had the green building codes that were not mandatory, we were tilting the playing field for lower quality developers. I don't any constituents that comes to me that says I would rather have a worse quality apartment complex.

Everybody's saying we have a Scottsdale brand. So, we are now mandating it so we tilt the playing field in favor of those who really do want to do this type of project, but we're also verifying it with code enforcement, because Turkey had codes but they weren't enforced. And we see this type of thing again and again. 600 bucks, no problem in my book. Thank you.

[Time: 01:29:12]

Mayor Ortega: Thank you. And please speak up, Vice Mayor Littlefield, when you'd like to. I'll move on to Councilmember Durham, and then Councilmember Graham.

Councilmember Durham: Thank you, Mayor. Following up on what Councilwoman Whitehead just said, that the water fee only kicks in when it's 100,000 gallons per day, right? Yeah. That's a big building. That's a lot of water, so that's a very big building. And on your chart, the green building compliance fee,

it says per large project. And does this apply to all green building-compliant buildings, or is there a certain size? Councilmember Graham says, what's a large project? Where does that kick in?

Michael Clack: Yeah, it's really -- should be per project.

Councilmember Durham: Okay.

Michael Clack: Not just large projects, because the green construction code, as you may recall, we said that that would be mandatory for all new commercial projects.

Councilmember Durham: Okay. So it's all of them. Thank you for clarifying that.

Mayor Ortega: Councilmember Graham, then myself.

Councilmember Graham: Thank you, Mayor. I am sympathetic to the argument that we are adding burdens. We are adding regulatory burdens to our citizens and people that want to invest in Scottsdale. And we told you to enforce and mandate these green codes, and then you're coming back and saying I've got to hire people to do that.

And that's the consequences of when we -- when this council requests things, requires things. So, I am sympathetic to that argument. One thing I want to say is that there is a low cost in Scottsdale. And I think a lot of the reason why there are low costs to these types of everything you provide and you do is because historically, we've resisted the temptation to kind of have this reflex towards more regulation and burdening people.

We had large voluntary compliance with these high-quality standards, but you're absolutely right. When you mandate it, when you force it, then we have to send somebody in, right?

Michael Clack: Yes.

Councilmember Graham: We weren't sending somebody in before. I think that is worth noting. You know, this kind of reminds me a little bit -- I'm not going to talk about the sustainability plan, which we're going to get to next.

But as we sit here and talk about these additional regulations, I would be -- it's you that has to go and enforce and deal with those downstream effects. And so I think if you would indulge us and stick around for the sustainability plan discussion, I would be interested, because that talks a lot about increasing these types of initiatives.

[Time: 01:32:31]

What does that actually mean from manpower, labor hours, from cost. I think this council would be interested in your perspective on that. I know that you're already spread thin enough. I know you guys are fully spread. So I'm sympathetic to those arguments. Mayor, I appreciate the opportunity to talk.

Mayor Ortega: Thank you. So, green building will be the new norm for Scottsdale. And we approved that. We said that there would be a break-in period, both for training staff and for advising builders, and making that rollout happen. You can't just snap your fingers and overnight that occurs. So, you know, there's a saying, trust but verify.

And it is a small nominal cost, but it's a necessary cost to both keep our employees well-trained. Remember, there was an adoption of several codes, I believe eight or nine codes. That means that our plan reviewers, plan inspectors all are getting reschooled on the new building codes and so forth. That's standard process of keeping up with the latest requirements. In terms of the so-called nominal cost, at one point I think we were discussing whether a water study should be provided for a 50,000-gallon a day versus 100,000. That was another discussion that was happening. Why?

Because we may have cutbacks and shortages and we may ask for more efficiencies. And that's a good thing. So, as a community, as a landlord, as a homeowner, you know, as a strip mall owner, one would want to save their tenants money and have a more durable project. So, that's the direction we're going. We are not going to, again, trust the lowest bidder or supplier that will say well, I bought you a cheaper fixture and now it's not as efficient as it could be.

Most items, you know, have a lead time. And that means the builder has to meet the specifications, and that's a good thing. And generally, you know, these are built in by state-of-the-art design. And that's all a good thing as well. So, I will move on to Councilwoman Caputi and then repeating, and then Councilwoman Whitehead.

[Time: 01:35:35]

Councilwoman Caputi: Thank you, Mayor. Just a couple of comments. First of all, green building codes are awesome. I'm supportive of them. But whether we have them or not has nothing to do with whether a building falls down in an earthquake or not, so that's kind of an interesting comment. Yes, it's \$600, but again, you're asking us to increase planning and development costs 5%. And we're also asking the customer to buy more expensive products. And then we're charging them a surcharge on top of that.

So it's not just the \$600. We're asking them to put up a lot more money to build the right way, which is great. We want to encourage that. And just because we make it mandatory doesn't mean people are going to do it. If it doesn't make economic sense, it isn't going to happen no matter how much we mandate it. It still has to pencil out for folks. So again, we are making this additional fee for a large water user, which I 100% support. That's great.

I think that this fee should be applicable for a large builder, not every single builder. Because anyone who pulls a building permit is now going to be -- forced to comply with the green building codes and pay this extra \$600. So you're talking about someone -- a small business owner in downtown that wants to do a renovation. They're going to pull a building permit, maybe. Although maybe we're discouraging them from doing that now. Which is a valid point, too.

And then they're going to comply with our new code, which is fine, which is going to be more expensive for them. And then we're going to charge them in order to do that as well. It feels very much like insult to injury. If we're trying to encourage this behavior, which we are, let's make it a pleasant experience for everyone. Most of our large users are already doing it. It's not an issue. I agree, on a large project where someone's asking for zoning bonuses, sure. Let's kick in another \$600 in that sense. I imagine you could reconcile it.

But it seems awfully strange to burden every single project with this. I think there should be some kind of a sliding scale. All these costs get pushed down to the end user. They don't go away. The costs don't magically go away. They all have to be accounted for somewhere. So I would hate to burden our small businesses. And that's my final comment on it. Thank you.

Mayor Ortega: Okay. And again, we're --

Vice Mayor Littlefield: Mayor.

Mayor Ortega: Yes, thank you, Vice Mayor Littlefield. Hello.

Vice Mayor Littlefield: Hi. Thank you, Mayor. I would just like to say I agree with Councilwoman Caputi on what she's been saying. It's a burden. And small projects, individual projects, I think we need to take a look at what we're doing here. I don't want to cause more burden than a business owner or a small business owner wants to improve his business can stand.

And it does discriminate a little bit, from the small businesses versus the larger developers. So I hesitate to make mandatory for all projects. That's a very inclusive, comprehensive thing. And for additional cost and regulations. It could be hard on small businesses. Thank you.

[Time: 01:38:52]

Mayor Ortega: Thank you, Councilwoman Whitehead, and then we'll move on.

Councilwoman Whitehead: I am sympathetic to the differences of the size of projects; however, I want to mention building codes are what -- I think the Mayor said it best, trust and verify. We have building codes that -- for instance, in California, there are earthquake codes. In Arizona, in Scottsdale, we have very expensive -- a very expensive upgrade to building houses. We require fire sprinklers.

And believe me, people -- like Ms. Caputi, there was a lot of opposition to that because of the cost, in that case, the cost to the individual homebuilder. You could build one house, you still have to do it. This is a commercial building. When you consider how many lives we've saved because of those sprinklers, I don't have anybody coming to me and saying gosh, I wish we didn't have that regulation.

So regulations always sound burdensome until you're the victim of not having a government that has taken steps to protect you and has verified that the developer that built the project complied. And I want to stress that again, building codes sound boring and they sound burdensome, but we have a severe water shortage. And the green building codes -- they all -- we passed many, many -- a whole portfolio of new building codes. And so each of these do need to be verified.

I'm open to the idea -- I think the \$600 is fine. I think the smallest commercial project would be, you know, how much -- we're not talking about a renovation of an office space, like an architect renovating a house. We're talking about building a commercial building. And to be commercial in an apartment, you have to be more than three stories. Isn't that correct?

Michael Clack: Yes. Most apartment complexes are going to fall in the commercial category. They will not fall into the international residential code, which is primarily one and two-family homes.

Councilwoman Whitehead: To be a commercial property, is there a floor limit? If you're a three-story building, is that commercial?

[Time: 01:41:27]

Michael Clack: There would be residential requirements that would apply out of the international residential code, but for the most part, it's going to apply in the international building code. And that's where the distinction is.

Councilwoman Whitehead: Okay. So the \$600 fee applies to a developer building an apartment complex that's four stories or higher.

Michael Clack: Yes.

Councilwoman Whitehead: I don't think there are a whole lot of -- again, the \$600 divided by the cost of that project isn't going to even add a penny of rent. But I'm just saying we need to put dollar amounts in perspective. A \$600 fee increase on a single-family resident would be expensive. But we're talking about a \$600 fee that is being applied to a developer that is building an apartment complex that's four stories or higher.

So I just want my colleagues to understand that. And I also want to say that many people from other -- many staff members have reached out to me from other cities in the valley thanking us for what we did. There is an effort to create a regional building code and then share that, just like we do with septic, to share the inspections. So, you know, we're first out of the chute. We're the leaders.

But I'm seeing some solutions that help all cities do this and produce better products. And I will say green building codes do produce higher-quality buildings with lower maintenance costs and longer longevity, so, thank you.

Mayor Ortega: Thank you. Again, our observations, closing out, Councilmember Durham.

Councilmember Durham: Thank you, Mayor. I mean, your chart shows that -- if I read this correctly -- there's only going to be three water analysis projects a year, because it totals 500 apiece, \$1,500. But if I'm doing the math right, it shows for 600 per user there's over 309,000.

So that means over 500 projects a year, which seems to include a lot of small projects. So, I think what Councilwoman Caputi suggested is that maybe there should be some kind of sliding scale. That's a lot of projects.

And maybe some of those projects at the lower end we could reduce the fee or eliminate the fee on some of those smaller 500 projects and maybe have a higher fee on the very big commercial buildings, which could absorb it. Thank you, Mayor.

Mayor Ortega: Thank you. And overall, you may have 5 or 6,000 a year in terms of building permit requests, but we'll get that clarification. I think we're all saying let's look at the perspective of the sliding scale. Next, we'll move on to non-enterprise community services. Unless you'd like to stay up there longer?

Michael Clack: No, sir. I'm done.

[Time: 01:45:06]

Bill Murphy: Good evening, Mayor, members of the City Council, Bill Murphy, representing community services. As a review, community services encompasses the parks and recreation, the library, human services, Westworld, as well as the preserve.

I want to start off with the fees to talk about some new park and recreation fees that we've looked at. One area would be the rental of some patio space, which we would have at a couple of the community centers, primarily Eldorado Park and Horizon Community Center. You could rent a room and extend that to the patio. This would be a new fee.

We want to memorialize a fee that we have with the non-Scottsdale School District. So we have IGAs with the SUSD, Paradise Valley, and Cave Creek. This would be for some of the charter schools that may want to use the tennis center. But this is to memorialize that, that we had not done before. The other is to memorialize a match fee rather than what we have currently right now, which is -- it would be easier for us to track.

It will be easier for the producer of the event as well. And then the tennis tournament deposit, which we ask for in advance would be \$250. If the tournament failed and did not occur, we would refund their money if it was within 60 days of that tournament date. And the next one is WestWorld sports complex, which you have been instrumental in helping to fund.

This is going to be grassed this may and we'll begin to start to use it this fall. So, just to let you know on that. So, again, the fees to changes on that for these patios would be -- next slide here. Incrementally, we have based these fees on interior to our buildings, each of those rooms are priced by square footage. And so we use the same criteria here for the patio space that we have represented there. And the tennis school fee would be \$7.

The event would go from per match rather than what we have to \$10, and the tournament fee. And the WestWorld sports complex, because we have five fields at that facility, this is for a two-day rental, would be \$1,300. The next area I want to cover is the current sports complex at Bell94, which we opened last February. And again, this is to increase our rates that we have. Last year, councilwoman Littlefield asked how we come up with fees.

We benchmark municipalities that we compete with for our fields -- Phoenix, Gilbert, Mesa, Tempe -- we try to follow that. The same holds true for the sports complex, which is our oldest venue. And we have the increase on that as well. The tennis fee is from the tournament non-tennis events. So this would be people that are organized with us doing tournaments for seniors -- excuse me, for women or men's leagues that are at various centers.

[Time: 01:48:48]

We would change that structure from a match to actual player fee. The other one that we wanted to clean up was -- so we have some grass volleyball courts. If you rented a Ramada and you wanted to play volleyball on the grass as part of your reservation, we want to move that to just a flat fee as part of a reservation. It will make it much easier, even if you just did drop-in to come to the park, it would give you the opportunity to go online and register for a minimal fee.

The other area that we've looked at is the sand volleyball court rentals. We really have had seldom use of volleyball tournaments. More or less volleyball in the sand has been for two would be young ladies and high school playing sand volleyball, or some of our adult leagues. So we have that as a flat fee of a suggestion to go to \$16 rather than the \$12 an hour. And finally the park commercial use permit -- this involves -- prior to COVID, we actually had people who were doing commercial exercises in the parks.

And so we had contacted them. And there's exchange of money that's going on between the various people that are there. So we based the fees -- and we have come to the council before on this -- based it on where they might be in similar size. So maybe a Ramada or one of our sports courts. So we based those fees on that. And we're looking to actually increase that fee, because we had had in the last year 21 people that had actually done permitting with us.

Now, we do have people that are doing things in the parks that we do not catch. And so just this would be ones who are registering with us. The next slide depicts for you the increase. So the sports complexes would be increased at Bell to \$200 additionally, and the sports complex at 250. The tennis tournament, from \$5 per match to \$8 per player, the volleyball on grass would be a flat \$5 fee. The sand volleyball would go to \$16 and the commercial would go another hundred dollars for the permitting.

The next area is aquatics. The increase for us in aquatics has been obviously with great help from the city manager last year, we were able to hire lifeguards at a higher rate. We are one of the only cities that were open in the entire year. And we are year-round in the aquatics area. We've seen increases in our cost for chemicals that we need to take care of the pool, as well as cost for our staff. We benchmarked ourselves with the other cities, and the benchmarking for Cactus and Eldorado, we haven't looked at those in six years. And McDowell Mountain Ranch, we have not looked at that since 16 years that the park has been open so we want to look at those as well.

And so what we're suggesting there is that we would increase these by a dollar for lap swimming. And this would give you admission whether you're lap swimming or you use the fitness center. And the public swim. We want to be able -- people do not all have pools. This is an opportunity for them to come and swim. So those will be an increase of \$1 suggested as well. McDowell Mountain would have the similar fees for lap swimming use, but there would be a little bigger increase for the public swim because that really is one of our aquatic parks. We have a water slide. We have a lazy river. And so we have some play area as well.

So it's very similar to one that you may go to at a resort. And so we have priced that a little bit differently. This is a cleanup for us in the library. We have the use of AV equipment that would be done. We had it per event, currently listed per hour. We want to go to per event. \$75, no increase, similar to what we're charging today.

[Time: 01:53:18]

The next area I wanted to cover with you was WestWorld, which has not had any increases in quite some time. And so as we've been looking at a lot of things that have occurred at WestWorld, we've had great success during the -- when the pandemic was going on, we were one of the few facilities that was open. It was one of the areas that the city manager helped us to have the ionization that we put into the north hall and to the other buildings.

We were successful in getting some events that would not be normally coming to Scottsdale, but now have renewed themselves to be there. One is the North Hall. We've had some concerts in there now. We're getting more requests from some of the producers as they put forward their event. This past year, so we want to be able to increase what the cost would be for that, because there's a little bit more to it for us to prepare that facility to be used for a concert.

The labor cleanup rate as well as the labor equipment rate -- these are established rates on our base by an hourly rate of our staff and any of the equipment that they might use. We are not suggesting right

now that we would increase those. We just want to have the ability that if things need to change, we would be able to, by formula, change what that cost would be.

The RV parking fee -- we are establishing, again, a new fee for that. And we have benchmarked -- and I believe the last time that we had looked at this, we had raised this a couple years ago when we had spoken to you about the fees. Since that time, we've actually gone out and done around what would be similar to here, close to Scottsdale that would be an RV park. The fee is \$50 for the RVs. We're going to increase those as well.

We get quite a few people that come to use the RVs not only for the special events, or some people that may have appointments at the Mayo Clinic, people visiting their relatives. We even have people here for the Phoenix Open. So this is a fair fee as far as a comparison to what we've had. Last year in the budget, you provided some dollars for us to have some new stalls that we purchased. These would be outdoor stalls. Some of the stalls have been wearing out. This would help us to get a cost for a fee that we could generate. We're thinking of going from \$18 to \$20.

It's as we benchmark ourselves against other equine facilities that are out there, the closest in Arizona for us now is Queen Creek, but we take a look at the other equestrian facilities that are throughout the country, whether in Las Vegas, or Texas, or Florida. So we've been looking at those as well. So, the drag and water fee we want to increase as well. That's based on the equipment that we're using as well as our staff that are taking that. So on a day where we could have 40 drags that might occur, right now we have Sun Country with seven different arenas.

[Time: 01:56:41]

It's quite a bit, pretty much every hour we're re-dragging those fields, or those arenas, excuse me. So, one other area that we want to look at is looking at rental fees for the higher costs that we have. We have two arenas that are outdoors. Arena 3 and 5 are covered. We want to be able to cover, in the future, other arenas as well. But currently we have some that are outdoor as well. And so take a look at those.

And then with some of the events that we have, there is livestock that is required to be using -- to fence them. And so we're looking to increase some of the cost for some of those panels to put those together. So, if you take a look at -- this is the table for the venue would increase. Around \$1,000 for the north hall. The labor would stay the same at the rate we have currently. As you go through those, the increases are pretty minimal that are in there.

But as we benchmark other equestrian facilities, we feel confident these are okay. The other cleanup is at McCormick Stillman Park. The railroad park -- Eric did a nice job to talk about it tonight and the relationship with the mechanical society, but we initiated a fast pass a few years ago. And that was primarily at the request of some parents, because the lines were so long and they were willing to pay to advance themselves, kind of like Disneyland, if you would.

So we had established that fee at \$15. As we've gone through the COVID and trying to take a look at how we might operate ourselves a little bit differently, we've taken the fact that now we would like to get rid of the fast pass and have the fee for our special events to be set at \$15. And we would also have you register online. So when you register online, you would be there from 6:00 to 7:30. We'd give you an hour and a half. You can go on that ride, or the carousel as many times as you could. I took my grandsons out there this year.

They were impressed with the carousel because how the horses went up and down. They kept figuring out who was higher. They kept going around and around and only road on the train once, so, who knows. So anyways, the other ticket packet we have, we do sell a pack of tickets if you want. So it's a \$3 ride for the carousel or the train. If you buy the pack it's \$20 so you have a little bit of savings.

We do get a lot of families that pick that up and come on out to the park. So that would be the change at McCormick. Now, Scottsdale Stadium. We were successful in building that stadium and opening it in 2019. And with that, we built -- for the Giants, a multiuse building that we could use at the City. And part of it is great thanks to the Council at the time who helped us with that. So we have 25,000 square feet of air conditioned space throughout that building.

[Time: 01:59:59]

And when we -- as we were designing the building, we reached out to a lot of the producers who utilize hotels. We actually had some hoteliers come in to help us with what are the things that they need. I know some of you have been at the field house for events. And we have been looking at how we price that. The Banyan Room is our third-floor area. It's a great view of the field, and the mountains, and overlooks quite a bit and has a nice patio area. So all those areas as we started to do the pricing back in 2020, we took a look at where we were at the time.

As we've started to benchmark ourselves with other venues and other facilities, we're requesting some increases to go through each of the rooms that we have and the field house to increase it. There is a great deal of cost to us for custodial cleanup, wear and tear in the building, the AV equipment that we have. We think this is priced appropriately. We've increased pretty much every area we have. The press box area, there are some suites there that are open. There's individual office space that's open. We've accordingly addressed those as well.

You can rent some of those because sometimes people will only want it for half a day or a couple hours. We've been able to give ourselves some flexibility in this pricing that we've got before you to take a look at it. The other area that we're fortunate is the partnership we have with the Charros. We have a nice area in the right field area that we've been able to utilize. To get that priced as well for events and people maybe having reunions or a wedding of some sort, we've been able to utilize that. Then we come to the baseball field itself.

We have two full-size major league baseball fields. We have two major league infields in the back. We have batting tunnels, pitching mounds. And I think with our staff currently, are being very creative with

what they can do and we're trying to do more clinics. We're trying to get more people to come there. But we get the requests not to be there for the total day, but maybe for a few hours. We want to have some flexibility in those prices.

And when we have people out on the field it requires maintenance and to keep it in top-notch shape so when you come to the stadium, as you might during spring training, it looks just perfect. So these prices reflect that. And that's where we're at today. And again, included with that would be some lighting. So really, the gist of the stadium is really there's a lot of fees on here, but we get a lot of requests to do that.

And we have a great deal of other fees that we have throughout the division that we have. But primarily they're in place for us to have some flexibility for our staff to do. We benchmark ourselves against other cities to see that we're okay where we're at. And we also want to make it affordable for people to be able to come and utilize our facilities at the same time. So with that, I'll take any questions you might have.

Mayor Ortega: Councilwoman Whitehead.

[Time: 02:03:30]

Councilwoman Whitehead: Yeah, I want to talk -- I guess I want to ask you about the \$15 fee. I think it's sort of interesting. Again, I think people have to put numbers in perspective. The \$15 fee is going to generate \$550,000? Is that correct?

Bill Murphy: Let me go back to that.

Councilwoman Whitehead: on the Railroad, the \$15 carousel? That's chart -- that was chart number . . . Yeah.

Bill Murphy: Okay.

Councilwoman Whitehead: Yeah, page 65.

Bill Murphy: 65, yeah. I wanted to show -- share some numbers with you there so we can be clear about what we're . . . So that number is correct. And just to kind of give you a couple numbers, I think Eric had talked to you all about it tonight a little bit, what we had in the last -- I've got the wrong slide here. Let me grab this.

I have the revenue for what we did last year and I want to share with you. So, in October, the October Halloween, we had 21,363 people ride the train and they paid \$15. We had holiday lights, 33,122 that road on the train during Holiday Lights at \$15.

Councilwoman Whitehead: Can I --

Bill Murphy: And with that -- so, that number is not off from where we think we can generate revenue for this for the full year once it goes into --

Councilwoman Whitehead: So this is a park, though. I just want to point out to everybody who was worried about the \$600, the \$600 fee on a \$10 million, generates \$300,000, but we're tripling the price on a kid going to our park and we're going to generate a half a million dollars plus.

So I guess my question is, I'm uncomfortable with tripling the price on a kid, on a public park. I get it. But -- so last year, the fee for someone getting into the event was either \$15 if they did the speed pass -- is that correct?

Bill Murphy: The speed pass we did not -- so this past year we did not have the speed pass in place. We were charging you \$15. The speed pass we ended two years ago.

Councilwoman Whitehead: Okay. So everybody last year had to pay the \$15?

Bill Murphy: Yes.

Councilwoman Whitehead: Then why is it going from \$5 to \$15? I'm trying to figure out -- it looks to me like you're increasing the price three times.

[Time: 02:06:43]

Bill Murphy: So the ticket that we had back in -- two years ago was that \$5 at that time. The \$15 covered now the fact that people were registering and it helped us to -- it's safe enough for people to be in there at the same time. But a couple things I want to point out for you.

So when Eric was up here today, he talked to you about the rotary club being here. Okay, that is a free event that the rotary club is paying for any child to come and ride on the train at the time. These prices for us to do this as specialty for just the seasonal special events that we have, which would be Halloween time period and Holiday Lights.

The rest of the time those fees go back to \$3. So if anybody comes to the park during that time, if you come during the day and not at night, it's \$3.

Councilwoman Whitehead: No, I appreciate that. But I am saying that by tripling the fee there will be families that don't get to go. And \$15 is still incredibly reasonable. So I'm going to end it there, but I think sometimes people see a big number and they forget the context of what that is. This \$15 is a small number, but a big number if you're a family with three kids.

Bill Murphy: I'd like to point out McCormick Stillman is a special revenue park. So the special revenue that we generate helps to pay for what goes on in the park.

Councilwoman Whitehead: I understand that. The land is public and we all have paid for it. How are you doing on WestWorld? It is so impressive to me that it seems constant -- it seems like it's rented and really getting used to its capacity. It was always a bit of a drag on the budget in the red. Are we -- where are we at on that?

I support all those fee increases because costs have gone up and anybody who goes on vacation knows everything like that is going up in price, but how are we doing on revenue versus cost?

Bill Murphy: I think that we're not totally at 100% that we're paying for ourselves, but we're making incremental increases. I think in the last year we were right around \$6 million in revenue that we generated. A lot of the same events that we had a year ago, we have solidified for multiyear contracts with people. And we're also looking at some other opportunities where we have other things that we can put in there other than equestrian events. And we've activated the soccer field.

The direction Jim Thompson had provided to me was make it active. And I want to see it active and utilize all the space we have out there. And I think from Brian Dygert to our new staff that are in place now, that's really the motivation that they have.

Councilwoman Whitehead: Well, good. Good job. That's all I have. Thank you.

Mayor Ortega: Okay. So we reviewed four basic areas, city properties that we activate to the maximum possible, that is the sports fields, the WestWorld property, the stadium property, and certainly McCormick as a separate revenue.

[Time: 02:10:03]

I find, again, we're trying to make it convenient and safe for the public by having registration ticket by hours. That makes a lot of sense. And it also allows us not to get overrun and flooded at certain hours. The other thing I've noticed -- because we do go there from time to time -- and, you know, these are traditions now. These are strong -- Holiday Lights and so forth.

So the quality of even the bands that you had with the summer concert series and other things, that costs money, right? So all those charges that we elevated the whole entertainment venue and it seems to be working pretty well. So with that, I see Councilmember Durham, and then we'll go on to the next subject.

Councilmember Durham: Thank you, Mayor. Do we give any breaks to charitable organizations? I'm thinking especially on use of the parks. Do we have a separate structure for them?

Bill Murphy: So, Mayor Ortega, Councilmember Durham, if you're meaning -- we do have some times where some nonprofit groups may come out there. We also have some passes we would be able to

provide to them if they were to contact us and wanted to come out. So the availability is there for us to take care of that.

Councilmember Durham: Thank you.

Mayor Ortega: And I'll just add to that, because I'll mention special aid for special kids. The rotary club does buy tickets in bulk, but we only get charged back for the ones that were actually used. So that means that, you know, it works for everyone versus just a straight-up sale, whether they use it or not that day. Thank you very much. With that, we are concluded.

We'll go on with our public safety fire. And we have Chief Shannon to make the presentation.

Chief Shannon: Good evening, Mayor and Council. So, we have modest increases again this year. First out of the gate, our after-hours inspection program that provides for those nontraditional hour contractor inspections, early mornings, late at night, middle of the night fee is proposed to be increased to match not only salary increases, but the number of those requests that occur are increasing annually as well.

[Time: 02:12:58]

Second would be our Brycer compliance engine upload fee. This is a vendor relationship that we have that meets our compliance obligation. As you may know, many businesses that have fire protection systems require those systems to be inspected annually. The difficulty historically has been that without a vendor relationship, we were burdened by limited staff availability to make sure that those parties were compliant.

The great thing about Brycer has been that we have increased our situational awareness for these -- some of these occupancies are high-hazard occupancies. And those fire protection systems need to be assessed annually. So, in order to keep up with the pace of not only the number of these occupancies, but also match the cost associated with maintaining that vendor relationship, we're proposing a modest increase there.

Commercial records request reflects the reality that many times we receive public records requests for occupancy information by those that are interested in it for commercial purposes. And this fee reflects that service. And then our fire plan -- not associated with a building permit fee -- is proposed to increase to align with the rest of our fire plan reviews that are associated, obviously not with a physical structure. So this would bring into line this particular fee.

Moving to public education and our first aid, we teach two forms of cardiac compression services for our public. The general public receives a free class that teaches them how to intervene should anybody need continuous cardiac compressions in the public. But for our folks who are called to provide rescue services like our lifeguards and others in the long-term care community, they need a little bit more extensive class. And that includes a bit of first aid training. And we're proposing a modest increase there

associated with the cost of providing that service. And I believe that covers it. I'm available for any questions and I do have Chief Swick here if you want to dig deep into any of them.

Mayor Ortega: Thank you. Councilwoman Janik.

Councilwoman Janik: Thank you, Mayor. I have a question on your after-hours fire inspections.

Chief Shannon: Yes, ma'am.

Councilwoman Janik: This is for an emergency situation? I don't understand –

Chief Shannon: Mayor Ortega, Councilmember Janik, there are many circumstances where our contractors in the sequencing of their construction project cannot adhere to the normal business hours of our inspectors.

And so we do -- we offer essentially round the clock response to their needs to get the inspection done. And a good example might be perhaps one contractor is waiting for the other contractor to get that inspection done so they can match it.

Councilwoman Janik: Right.

Chief Shannon: So time is money for them, so we match that with a service that obviously requires staff to come in off-duty.

Councilwoman Janik: Okay. So it's not if there's a fire and you call. It is for quick service 24/7

Chief Shannon: Planned preemptive services.

Councilwoman Janik: Okay. Thank you.

Chief Shannon: Yes, ma'am.

[Time: 02:16:58]

Mayor Ortega: Thank you, Chief. I just want to mention, you know, we had that collision and Tesla fire that I understand it takes like 20,000 gallons of water to put one out, maybe, and then it lights up again. The concern that I have also is whether or not you're maybe having to look ahead because so many of these apartment blocks have, you know, hundreds of parking spaces encased in apartments.

And I think that's a concern as far as whether or not there should be some foam or other suppression required of these builders, because eventually they're going to start blowing up in those garages. So, think about that one. I don't have a specific question, but I think you should -- your minds are probably working on that.

At this point, I do open for public comment on any of the subjects raised today. And I see that there is no request to speak. So at that point, I will close public comment. And at this point, we will move on to the next agenda item, which was open public comment as reserved for Scottsdale citizens to comment on non-agenda items that are within the Council's jurisdiction, no official City Council action may be taken on any non-agenda items.

And I am told there are no requests to speak. This is for the second opportunity with our public comment. Therefore, I will now close public comment.

Moving on to citizen petitions. The question is whether or not -- by our charter, anyone may petition and file at the Clerk's office a petition which we would hear tonight. However, there is none, so I will close that item as far as item number 12 is receipt of any petition. There is none.

WORK STUDY ITEM PUBLIC COMMENT

[Time: 02:19:00]

Mayor Ortega: Next, we have the work study. Our work study session is to provide a less formal setting for the Mayor and Council to discuss specific topics with each other and City staff and provide staff with an opportunity to receive direction from the Council.

This also allows an opportunity for the public to provide any comments on the work study items. I'm told that there are five individuals who wish to speak for our work study item. As it happened -- so, we will have an opportunity to hear public comment on the two posted -- on the posted item, Scottsdale Community Sustainability Plan.

What we'll do first is we'll call for public comment. And at this point I have Philip David Allsop followed by Francine. Thank you for your patience, and you have three minutes, sir. Please give us your place of residence and continue.

Philip David Allsop: Sure. And I can congratulate you all on your stamina. I'm Phil, a Scottsdale resident. I've lived here for 17 years. I'm a sustainability scientist with the Arizona State University's Global Futures Laboratory. And my day job is dealing with urban complexity and finding ways of simplifying a lot of that. My comments about the sustainability plan are more aspirational than critical, because I know that the staff have been working very hard to pull together a lot of things.

And I thought it might help just to provide some perspectives on what sustainability plans are. This isn't a lesson of any kind, it's just a few comments. The -- cities are incredibly complicated, complex mechanisms, almost as complicated as, in fact, us human beings. And, you know, what happens as a human being, you eat something and it changes your ability, your metabolism, even your shape and what you look like. The same with cities.

And cities being very complex things tend to put in place lots of different plans, sustainability plans, they put in place zoning and transportation plans, a whole host of things, security measures for food security, energy, water, and even shelter security.

And so there's a tendency because of the complexity of them to -- for these to be standalone plans. And my thought was well, with a sustainability plan, we have the ability potentially to provide an amplifier for all those other plans that are taking place and to enable those plans to be very successful as every one of them is endeavoring to create a better place for future generations in Scottsdale.

And it would seem to me that one of the things that we ought to put in place in the sustainability plan -- which I'm sure is already being thought of -- this isn't anything new here -- is the ability to benchmark where we are, how are we doing on a number of these various social, economic, and environmental metrics so that when it comes to making decisions we can see where we've been and monitor where we're going.

And that also encourages, I think, a sense of accountability for actually getting things done, and also potentially a living plan for communicating to the people of Scottsdale what's going on and how they can participate in the future success of the city. So those are my comments. Thank you.

Mayor Ortega: Thank you, sir. Just for the record, we did receive written comment from Francine, and we have that entered for the record. Moving on, we'll go with the -- those present to step forward and discuss the work study item. We have Ute Brady and then we have Dr. Alisa McMahon.

[Time: 02:23:38]

Ute Brady: Can you hear me okay? Honorable Mayor, City council members, I'm a Scottsdale resident and while I appreciate the efforts involved in the sustainability plan, and I think it's a good start, I would urge you not to adopt the plan in its current form.

And this recommendation is based on three lenses through which I analyzed the plan. First, as a longtime resident of Scottsdale, I'm disappointed by the lack of vision, direction, and a little bit of the haphazard messaging in the current community sustainability plan. It's a community sustainability plan, but it includes very little information on where we are now, why it's important for us to move forward with sustainability into a more sustainable future, or how I as a citizen can get more involved if I choose to do so.

And I think sharing such information would be really important to engage our citizens. And I think it's also key to the success of the policy. Second, as a commissioner and the current chair of the Environmental Advisory Commission, I'm here to report that at our January meeting we voted against recommending adoption of the sustainability plan as it is before you. And that's because those opposed think that the plan is missing some key policy elements. Third, my recommendation draws on my professional experience as a researcher who studies collective action and collaboration with a focus on how policies affect decision-making, implementation, and policy outcomes. I advise international -- I'm

sorry, international organizations on how they can respond to conservation and/or related sustainability issues.

So, through that lens -- excuse me. Through that lens I can tell you that the sustainability plan lacks four critical components. It has no baseline -- it has some baseline metrics, but not enough to provide a measurement of where we are now related to sustainability. It also is missing identification of goals, where it is we want to be in five, ten, or twenty years. Indicators are missing that will be used to measure how we get from the baseline to the goals.

And strategies and actions that provide a roadmap of actions that will lead us from the baseline to the goals and can be assessed through the indicators would also be very beneficial. My research confirms that without these components, any policy will be difficult and more costly to implement because it lacks the necessary guidance.

So I urge you not to adopt the current sustainability plan and I know you're not voting today, but instead allow us more time to establish a task force or maybe a subcommittee to work with staff on revising the current plan to include these core components. I think the time invested in making these improvements now will move us more efficiently and effectively toward a resilient and sustainable future. Thank you.

Mayor Ortega: Thank you. Next, we have Dr. Alisa McMahon and Anthony Levy.

Dr. Alisa McMahon: Okay. Sorry.

Mayor Ortega: Slightly -- we might see more of what your point is. That's good.

Dr. Alisa McMahon: Thank you. All right. This may look familiar. It's from your packet for this Thursday's council retreat. What works cities recommends the local government identifies goals, aligns a diverse set of measures and uses data to evaluate progress.

[Time: 02:27:59]

It requires that the local government has assigned targets, metrics, and a timeframe for measuring progress. I couldn't agree more. This is exactly what many have said is missing from this draft plan. This graphic from another city's plan crystallized where we are in the plan development process. In phase one, ideation, ideas were fed into the funnel from peer cities, the public, staff, and technical advisers.

If phase two, initial prioritization, those ideas were prioritized. Those that made the cut proceeded to phase three, quantification and determining how, where we want to go and how to get there. Our current draft is between phases one and two. Not surprisingly, our draft looks exactly like the process that created it. Ideas were collected from our general plan, staff, and citizens.

Those ideas were grouped into buckets, and those became our strategies and actions. They have not been prioritized or quantified and we haven't determined the how. Excuse me. I lost my place. Okay.

It has been suggested that we adopt it now and fix it later. Bad idea.

First, the data to be collected this year applies to only a few of the topics. What about the rest, some of which already have data, for example, water. Second, it's not a simple matter of plugging in a few numbers. Done right, the data will catalyze a top-down process from goals down to actions. Regarding the notion that this plan is intended to be general first in the 2014 and 2021 general plan development process, we were told over and over that's too specific. We'll get specific in the sustainability plan. Fair enough. Now it's time.

Second, general should not mean vague, unaccountable, etc. I do understand that some specifics are or will be in other plans, but having other plans is not unique to Scottsdale. It's common. And yet other cities manage to create effective sustainability plans. There are other major issues. For example, the plan lacks compelling messaging about why any of this matters and the challenges we face.

If we don't acknowledge the challenges, how can we expect to get buy-in to meet them? We have waited so long for a sustainability plan. Let's not set ourselves further behind by starting with this. We can do so much better. Please allow us to put our collective heads together to create a sustainability plan that will truly help our city face the challenges ahead and continue to thrive. Thank you.

Mayor Ortega: Just something real quick, Doctor. You had participated in some of the outreach for this?

Dr. Alisa McMahon: Yes.

Mayor Ortega: We appreciate it. We will so note your comments. Next, we will have Anthony, Bob, and then French Thompson. Anthony.

[Time: 02:31:26]

Anthony Levy: Good evening, Mayor Ortega and City Council, my name is Anthony Levy, I live in Scottsdale. Tonight I'm here to speak against the sustainability plan, because it is based on ideas that our citizens will work more from home, they'll be able to ride their bikes or motor scooters to work, or maybe they'll begin to take mass transit that doesn't exist or is very slow and not a very pleasant experience.

When was the last time any of you rode on a metro bus? The plan ignores the fact that many of the autos using our streets come from other cities heading to Phoenix, Old Town, or the Scottsdale Air Park. It will increase the cost of new homes, remodeling homes, adding more stress to first time homebuyers who are already under pressure from inflation, high interest rates, looming layoffs from major employers.

The City has over 4,000 more apartments waiting to be started, most in Old Town and South Scottsdale. And, of course, this plan is aimed especially at Scottsdale below Camel Back, the area with the most population, more homeless, more crime and less wealth, under the greatest pressure from outside

investors, short-term rentals, multifamily projects, and now a sustainability plan that will raise home prices and reduce our city's street sizes.

We all want sustainability for our great city and our state, but if it comes at the cost of one group or one area over another, then that's not sustainability. We have already overloaded Old Town and South Scottsdale with apartments and now we're allowing oversized homes, mostly STRs, to be built in small lots and lovely older neighborhoods. We think enough is enough. Please do not pass this plan.

Mayor Ortega: Thank you. Next, we have Bob, then French Thompson. Then we'll have a presentation of the plan.

Bob Pejman: Thank you, Mayor Ortega, councilmembers, my name is Bob, address is on the record. And we heard a lot of academic theory. I just want to talk about some of the realities. And I want to concentrate on the street element part of this. And so just before coming here I looked at the council report for this item. There were about 100 pages of emails that you received as input.

[Time: 02:34:21]

Most of those emails were brutal on this whole complete street concept, which is the same as the street diet. That's a much nicer name. I want to put something on the projector. These are the hundred pages of emails received. These are some of the words that describe the street element of the plan -- crazy, unsafe, ludicrous, stupid, destructive, causing pain and suffering, confusing, ridiculous, terrible, dumb, insane, reckless, miserable.

And then there's word from one email, one of the worst ideas ever suggested. These are not my words. I didn't send an email. I encourage you to read these. These are your constituents. I didn't see much positive comments on this at all. I want to go to this whole concept of this plan. In general, this plan -- we didn't ask for this plan. This plan came from staff. The question is what kind of outreach did they do?

When you look at this, a central premise of this plan is complete streets, which basically eliminates lanes. You're going to take a bunch of streets, eliminate vehicular lanes and replace them with bike lanes. Even though this is not really put out there, the concept is to slow down traffic, make people miserable in traffic so they give up their cars and look for alternate modes of transportation. But what are those alternate modes of transportation? You have the mass transit, which is not going to work.

The buses are currently riding empty. Then you have bikes. Let's point to the demographic of Scottsdale. 100,000 residents are over the age of 55. And by the way, those people constitute about 75% of the voters that voted for you. So, do you expect those residents five months out of the year in excruciating heat to get on a bicycle as a mode of transportation, not for fun, to go to work and shopping? This is the emperor's clothes.

Nobody wants to say this doesn't work because nobody wants to be labeled anti-green, but in Scottsdale, people are not going to give up their cars. This plan will result in building congestion intentionally, spending tens of millions of dollars to do that. It's not free, either. And at the end, ironically you will end up polluting the environment with cars stuck in traffic. And what a great concept for a sustainability program. We need outreach.

This has to go back to the drawing board. And this particular aspect is very polarizing and needs to be vetted with the community. Thank you.

Mayor Ortega: Thank you. Next, French Thompson.

[Time: 02:37:39]

French Thompson: Good evening, Mr. Mayor and councilmembers. French Thompson, 7148 East Main Street in Scottsdale. You know, when I was reading this, there was an awful lot of stuff in there, but the one thing I did notice was the switch from calling it lane diets to a weird word, complete streets. It sounds to me like it's less complete streets, but I think it's just wording to hide what was really going to be happening, which is removing traffic lanes.

So the city has already proved tens of thousands of new residents come into Scottsdale. And the transportation department wants to start causing more congestion, pollution, accidents, and aggravation by limiting road access to the city. Now, many people come here from other cities so that they can work here. Then they have to use those roads to go home. So when you start cutting down lanes -- I drive on McDowell. I see what happens on McDowell.

There's three lanes going one way, three lanes going the other. All three are full. When there's a red light, traffic backs up. If you restrict that down to two lanes, that's even more traffic backed up, cars sitting there when the lights are red, more pollution, more aggravation. So this just seems like a case of making work by breaking something that doesn't need to be fixed and spending money where we actually need to be fiscally responsible.

With all the cost overruns that are happening with the city right now, I don't think this would be responsible government to be taking out lanes in the roads when they're perfectly good to start with. I ride a bicycle. I know Councilwoman Solange rides a bicycle. But I just did a U.S. Census report said less than .6% of people ride to work. So if you're taking lanes out, you're taking lanes away from 99.4% of the people to give it to .6% of the people.

And that's assuming they're going to ride year-round, which they're not. I mean, literally I don't know if you guys know this but when it gets cold, you can put more clothes on. Trust me, when it's really hot, you can only take off so many and you get arrested. So you can't cool off riding in the summer. You can ride in the winter. You can put on more clothes. So with all of this stuff that's going on, this is one of the things that just jumped out to me like a sore thumb.

There's a lot better ways to get road lanes for bikes. There's much better ways to do it, a lot more affordable. I ask you, really, if somebody says it's okay, it's federal money -- that federal money is all of our taxpayer money, too. So if it's federal money it's my tax money, it's your tax money. So it's not free money. So let's not just say it's not our money, we can just spend it. Let's be really fiscally responsible and don't try to fix things that aren't broken. So, thank you for your time.

Mayor Ortega: Thank you. With that, I'll close public comment. Moving on, we'll have a presentation for the Scottsdale Community Sustainability Plan. Presenter is Lisa McNeilly, our Sustainability Director.

Lisa McNeilly: I think I really have to move the microphone down to make sure I'm heard. So, good evening, Mayor Ortega, members of City Council. Thank you for the opportunity to provide you an update on the Community Sustainability Plan. You know, I spoke one-on-one with each of you all in January, and, you know, I knew that we needed to hear a little bit more from you to get the right level of policy for this plan and about other expectations on the plan and its adoption.

[Time: 02:41:46]

I'm going -- noting the late hour, I have a few slides. I'm going to throw a quick recap. I'll go through most of them fairly quickly, but did just want to make sure that I pointed out how we got here. This was a plan that was identified as an element in the general plan that was adopted by voters. Adoption of the Sustainability Plan by December of 2022 was not just in the 2022 strategic plan for the council, but also the 2021 one. This has been a priority of the City for a while.

And we know that it is a priority and it's been brought to the forefront because of the interest of a lot of community members and of SEAC, among others. I can't seem to find the right button. So, I want to start with what the plan, the current draft that's in the packet that's been put out. It was designed to be a high-level policy document, sort of an umbrella for action.

Think of it more like the tourism or the economic -- or the parks and recreation master plan. Not necessarily an exhaustive list of actions, not necessarily everything that will be done in this city in the name of water conservation, energy conservation, improved air quality. It is a community plan that we hope many will help us implement. And as we've heard, it's also not the only sustainability-related plans. Those plans have more detail. They have a lot of baseline data.

And the goal for the sustainability plan was not to replace that or to supersede that, or in any way do anything other than coordinate with those plans. I've worked in other cities and yes, we had multiple sustainability plans. And when they weren't well-coordinated they caused confusion. I had -- in my last city I had a plan that updated a goal from the climate action plan. I had to repeatedly correct people who would go back to the old goal.

Trying to have -- start this from scratch in a way that makes it very clear what we're doing and what we're not was one of the things I brought to the work as I worked with the community to develop this.

It should also be clear that this plan, then, in no way overrides any of the existing legal paths or decision-making. You still set budgets. You still write ordinances.

This is meant to be a direction that does share what the City is hoping to do and what the City hopes that our residents and our communities do. We do expect to regularly update these plans. I always hate that phrase. It's just going to be a plan on the shelf.

That's not the intent for this that we are not only looking to update the plan, do annual reports, but move on to two other priorities of council, an extreme heat mitigation plan, a net zero energy strategic action plan, that will provide more details as well. One last point -- it really is common for cities to start with a framework like this. It moved to the data collection and then start to develop those more detailed plans.

[Time: 02:45:33]

Sort of in essence the maturity if you will of this plan reflects the current maturity of the program. We're just started on this. But we're following the path that other cities have taken. Some of you may have looked at some plans that other cities have in place. But know that many of them are the second, the third, the fourth or the fifth. I think Mesa is on their fifth plan. They've been at this for up to a decade.

We are going to get there, to a place that is embraced by hopefully most people in the community, but we may need -- we want to get started on that. Just a quick visual about the -- again, to show how we view these partner plans. We view the general plan as setting the vision, and the sustainability plan would partner on action with things like the transportation action plan and then move forward to these other plans to -- in areas where there isn't existing work right now.

Just to recap of the framework this plan, this hasn't changed since the work study session. We did add some -- an implementation strategy and actions. We've got 15 topics grouped into five buckets with 31 strategies, 150 actions, and over 60 sustainability indicators. These are the metrics. This is the data we're going to gather to benchmark work and show our progress. Very quickly, wanting to go through the timeline, we started in 2021 in partnership with Arizona State University.

By early 2022, work had progressed to drafting a framework, compiling action from the community members, SEAC and staff. We did that at two different community meetings. All of that input has been compiled and is available online, if you search sustainability plan on the scottsdaleaz.gov site. We worked with SEAC and other places to get input. As we moved into the last half of last year after the work study session, the draft plan was developed that included council direction. It was shared with the public.

We added things like an action to review water use and development projects. We held then a second set of workshops. In this case we took the draft strategies and actions, got input from attendees. We had a place where people could provide comment online and a survey. We asked them both for what do

you think about these actions, but also what they thought their priorities were. And those comments have all been collected and posted online.

And about this time we started on the third year of the scope of work for the ASU contract. The first year we did the cooler Scottsdale study, the second year they assisted with the plan. Right now they're helping on data collection for a greenhouse gas inventory. So we're collecting data to be able to have a much better understanding of where the city is in that area. So next, we worked to get more detailed input from council and commission.

So we had individual meetings with council and SEAC looking with comments ranging from trying to use more carrots to sticks, to hoping that the plan can function as an umbrella for other departments. We worked with SEAC. I got written and verbal input from commissioners and added actions and indicators. I also went and talked to a long list of other commissions. I talked to the transportation commission, who provided some input.

[Time: 02:49:49]

The neighborhood advisory commission and human relations commission were both very interested in working with us on implementation. The youth council -- that was a fun meeting, the Mayor's Youth Council. They had lots of great ideas, same for Parks and Rec. I'll talk more about the preserve commission later. It was great to see that level of support and appreciated those volunteers' interest in the plan.

So, what did we hear from the community? I listed -- this is really just a snapshot of the areas of the plan that we heard people were interested in, where we got positive and helpful feedback. There's more online. Again, there's a document online that includes the community meetings, the surveys, and reflects this. You know, this is one of the biggest things we heard is people found it hard to prioritize. They were like, we want you to do a lot of this. We heard areas that were less important to the community or that were polarizing.

Some of the strategies that we had are in character and the arts. They didn't get as much interest and accelerating like vehicle adoption was a very polarizing issue of a lot of people with very strong opinions on each end. This is too small to read. This was just a few of the quotes that we got. You know, again, with people sharing, you know, about all of the issues that we hope could be a priority in Scottsdale.

Wanted to do a quick run-through of some the of the changes that were made from that feedback in October and November. We made text edits, aimed for readability. We made content edits, mentioned some of the new actions, indicators, or changed ones due to feedback that we received from across the board. But one clear thing that came through is we got a lot of questions on the how. I think we even heard some of this in the public comment.

People don't want to just know what we want to adopt, green construction building codes. They want to know how we're going to do this. So we took a lot of time. This is part of what delayed getting to the

next draft of the plan, was to sit down, look at those priorities, to add more information on implementation early on in the plan, add some strategies and actions that were focused on implementation and to add a table that doesn't necessarily say how we're going to do everything, but tells how we hope that we're going to get started.

That these are some specific actions that we're going to take as we get started on this. It's a table that we hope to update annually to be clear on what it is that we're going to be doing. We added more detail into that plan. Even as I continued to have conversations with people. And I want to make sure, this is actually an area we got varied feedback. We had a lot of -- several people who wanted significantly more detail, wanted an implementation plan of some sort for every action.

At the same time, we had people who really wanted to make sure that they knew what was the City actually committed to doing in that versus staff concerns that maybe we wanted to make sure we kept expectations in line with current resources. So this was the balancing act that landed on. Just one more slide on timeline. Again, we took those edits, had an updated draft that we presented to SEAC.

SEAC voted to recommend that the Council continue that agenda item to allow additional SEAC working session and input from the preserve. We held that meeting on February 22nd. I also presented to the McDowell Center on March 2nd. These are some high-level notes from the meeting with SEAC. This is not really based on approved minutes. We haven't had time to do that. What we did at that meeting -- I did share all of their written comments in the packet.

[Time: 02:54:34]

This was -- we asked commissioners to share their highest priority input. We worked to put those in buckets and worked where we had consensus. As you heard a recommendation around a task force or a peer review process, there were different versions of that that were discussed, whether it was around membership or how much time they might be working on, or whether it would be a task force versus a standalone peer review process.

I mentioned there was some of what I've already shared is repeated here around needing baseline data, more bold and aspirational goals, and a vision for the future to be included. When I visited the Preserve Commission, I had worked with staff on input from -- related to the preserve. I was happy to be invited back to that commission. There really wasn't much that the Preserve Commission wasn't already doing. They're doing so much right.

So we didn't have quite as many actions in this section, but we also wanted to be clear that the open space chapter includes open space areas outside the preserve. It is meant to be a little bit broader. And so we got some input from them on a couple of details around one action and an indicator and had some really good conversations around access and connectivity. So, moving forward, one of the -- a little bit of a recap.

We're looking to incorporate council direction and understand what the process and the timeline is for plan adoption. You know, I'm really interested in the level of detail and the policy level that Council is interested. And then the timing of that work moving forward. In general, in listening to a lot of the input, I often had "yes and" in my mind.

Yes, and I think there's a lot of agreement on needing implementation plans, on needing targets. And it's almost, you know, more of the kind of input that we're looking or direction looking for today on that timeline and that strategy to get to that. Hoping that we can move forward to allow learning and progress. And in some -- excited that so many people are interested in Scottsdale being more sustainable.

Much of our feedback really shows that there's a shared vision of where the sustainability plan can be and where it -- what it can become. And so the question before us is whether this plan document should be held up until all of these elements are analyzed and identified, or whether we can use it as a starting point to gather data, begin implementation, and start to do the work. I wanted to switch to one additional slide.

And I think we'll need to zoom. Sorry, I print things in black and white. I'm going to call it a cost saving measure. You know, there was received today some feedback around some potential timing and wanted to lay out sort of what a timeline could look like, what we've -- what's in the plan right now, slightly tweaked, and then a feedback from a councilmember. And I hope that I've gotten this right. And what I'm hoping that you'll notice is that these are very similar. And I know obviously there is the whole Council to provide input. We would start with adoption.

I could come back in six months with a baseline data report, move to outreach, focus groups with subject-matter experts, and then analyzing the data as well. And move to maybe look in about a year and a half on a combined sustainability, updated sustainability, and a net zero plan. And that could be where we could look at having new goals and targets. And then move on to the annual progress reports.

I think another proposal was to look at having baseline data and the goals maybe in month ten and then again by month eighteen having an updated plan and the net zero plan and moving forward. So, had wanted to -- I think this was some emails that were in the public record as well, wanted to try to put these up -- it was kind of a tabular form. We can come back to this.

But just also wanted to throw up just a reminder of the kinds of questions that I had just mentioned about what I would hope that we could get Council direction on tonight. And with that, I will stop talking.

[Time: 03:00:05]

Mayor Ortega: Okay. At this point, we'll open up comments. I do want to call on Vice Mayor Kathy Littlefield, maybe to lead off if you'd like to, Kathy, Vice Mayor, and then we'll move on to Councilwoman Whitehead and Janik. I think I heard Kathy. Vice Mayor, are you there?

Vice Mayor Littlefield: I'm here, Mayor. Give me a few minutes, though, if you would, please.

Mayor Ortega: Sure. So let's go to Councilwoman Whitehead.

Councilwoman Whitehead: Thank you. Okay. Thank you, Lisa. I guess everybody here agrees, but I disagree. That must have been tough. You did a great job giving us a presentation. I want to thank everybody else for all the emails we received. That is one thing we definitely get in this town. We get feedback.

And it does help us when we're reading these documents to pinpoint possible issues. One issue stood out like a sore thumb. And this was not intentional, but the whole lane reduction -- that doesn't belong in a sustainability plan. That's a Transportation Department issue. It has nothing to do with sustainability. Bike lanes do, but not lane reductions. I would absolutely agree.

[Time: 03:01:31]

I just want to talk about what this plan is not. This plan is -- like Lisa said, cities all around the valley, we're one of the few cities that doesn't have one. That doesn't mean we're not a leader. We're a leader in areas that really matter and are making a difference today. But the plan is not a zoning document. We cannot build apartments based on this. It has nothing to do with zoning. It's not about regulations. This is not a regulation document. We don't increase any regulations.

We don't -- costs, anyone on our staff can tell you that if it's not financially sustainable, they don't necessarily want to come to this City Council. So it is a -- it's not a financial document. It's an idea of what do we want. And if it costs too much it's probably not going to get approved.

So, I do think that too often lately in this country we have certain words that I call triggers. They trigger different people, whether it's through partisanship or others, they trigger an emotion. But when you talk about what people want -- and I always remind people I did knock on a thousand doors. I found unity in our community.

It doesn't matter where you are or where you live, how old you are or any other demographic thing. People want to know that they're going to have safe, reliable water. They're going to want to have pretty parks and pretty places to walk their dog. They want to have cooler evening temperatures. Our evenings used to be cooler. We always would brag the days are hot in July, but we have the edges of the day that we enjoy. We want those edges to stay cool and they're increasing in heat.

So these are just -- a sustainability plan -- and I have not met anybody who says they don't want to have shade and trees. So this is a uniting document, but I get it. You throw in lane reductions and you're going to generate a hundred emails in a single day. Thank you for reminding us that didn't belong there. But I do have -- and this is a draft. This is simply a draft.

I have specific questions about -- specific changes beyond getting rid of anything that says lane reductions or whatever it's called. Mayor, would you like me to go through those? I have a couple in each section that I would like my Council colleagues to listen and decide if they make sense, or would you like to have everybody make general remarks first? I support the chart about the timelines.

Mayor Ortega: Let's cover the overview first and then look at any specifics, or at least some discussion about the specific subject. Councilwoman Janik, Councilwoman Caputi.

Councilwoman Janik: Thank you, Mayor. First of all, I want to thank Lisa McNeilly for all she's done. The first person to go through the door on any project gets hammered. And believe me, at times I've been that first person, so I really thank you for all you've done and you've had two masters, the city and the community. And even the community is somewhat divided. So, thank you for all that. What I wanted to say is that I spent hours looking through this. I read everything that was said by all of our residents. I talked to the SEAC committee.

I talked to the people that support sustainability. And what I want to do with what I am proposing is try to bring everybody together to support this plan by making changes. And I'm going to be going through a few of the items that I think need to be changed with general comments at the end. So, first of all, on page 10, on mobility, we need to eliminate 3.1, eliminate or repurpose unneeded vehicle lanes. In other words, the road diet.

[Time: 03:05:54]

If we did not have this in this plan, I would have had about 500 less emails to read. It is a very inflammatory part of the project. And I don't want this project to fail because of that one item. The other thing is on sustainability indicators, the best indicator if we're making progress is the concentration of carbon dioxide per person. And this is the same thing as we did with water. Are we using less water? Yeah, per person we are. Yeah. And why is this important?

The carbon dioxide will probably go up because we're growing as a community. But if the per capita use goes down that would be the best measure, because that's what causes the greenhouse effect. I think that should be probably the major sustainability indicator. The other problem I have is when you put in miles of bike lanes, shall we just lay them and nobody uses them? Isn't that crazy?

So it's just like build the road to nowhere. We spent the money, we built the road. I don't agree with that. We need to verify that the bike lanes are where they should be, if they should be, if the streets should be narrowed and it's not just a blanket statement, complete the bike lanes and boom, now we can take off that issue. So that's my first comment.

Mayor Ortega: Let's stay on that one. Do we have any nods as far as re-examining those points? Perhaps that's an efficient way to do it. Go ahead. So if we had some reaction, I think we can discuss that as we go on. Go ahead, Councilwoman Whitehead. Are you in agreement?

Councilwoman Whitehead: I think that the bike lane discussion is a Transportation Department. I think what we're looking for is not to have this very high-level document conflict with something that is -- like the Transportation Action Plan. But -- so Scottsdale is a gold bicycle friendly city, community. I just don't think it fits here. But I do think that just not changing it but all the other changes I support.

Mayor Ortega: Thank you.

Councilwoman Whitehead: Go ahead.

Mayor Ortega: And Councilwoman Caputi, did you have some comments?

Councilwoman Caputi: I just wanted to make a 50,000-foot comment since this is just a draft and we're having a work study. The point of this is to gather information. And Councilmember Graham just reminded me this was my point. I mentioned this to you when we were talking. To me, it's important if we're going to create a sustainability plan that it not be a silo, that it involve every part of the community.

And I think Councilmember Graham underscored what I wanted to say, that if you just go out to the usual suspects on a sustainability plan, like, you know, the environmental commission, you're going to get a very particular narrow view.

But to me it's essential that you -- and I told you this in our one-on-one -- it's essential you involve all the boards and commissions that might be involved in the actual implementation of a sustainability plan. So the recommendation that someone from, you know, building codes, development review board, planning commission, the building advisory board -- these are the people who are going to be using the parts of this plan on the ground.

[Time: 03:09:42]

And so I do think it's super important that we get everyone's input. I gave you that example that in my line of work you could have an architect specify something and it looks always on paper, but when the folks go to install the product and it doesn't work and everyone's going who the hell designed this -- I was joking. But I think it's really important that we involve everyone who's going to be using the plan and putting it into effect and that we not just get feedback from the folks that would come top of mind, but everyone in the community that's going to be working with it. Thank you.

Mayor Ortega: Councilmember Durham, and then Councilmember Graham.

Councilmember Durham: Thank you, Mayor. I tend to agree with a lot of the comments that have been made by Ms. Brady and Ms. McMahon. I think that this is too high a level. And obviously some things -- some plans, such as the general plan, are going to be very high-level. But I tend to agree that there needs to be more data in here about where we are now and what we expect through the indicators.

We have a lot of indicators in here, but no numbers connected to them right now. For example, just looking at this one, one of the sustainability indicators is the number of good to moderate air days in Maricopa County. So it would be good to know what are the number of good to moderate air days right now. And what we see as a goal.

Now obviously we can't control the rest of Maricopa County, but in general I think we need more data, more concrete goals, where it's possible. It won't be possible in all places. And various suggestions have been made about how to continue forward with this in terms of a subcommittee or something like that. I think there should just be continued work for, you know, Lisa suggested a timeline of six months. And I think that we should continue working on it.

I'm not picky about what the deadlines are, what the timelines are, but I think we should continue working on this with input from SEAC and input from other experts that SEAC might be able to utilize and just continue working on it for the next six months or so, which I think was what Lisa's suggestion was. And then see where we are at that point.

Mayor Ortega: Thank you. Councilmember Graham?

Councilmember Graham: Thank you, Mayor. Right now we're focusing on transportation, if I'm kind of, sort of, feeling that from the rest of the Council. And I kind of agree with Councilwoman Whitehead that this transportation component does seem to be the biggest lightning rod for what's in here right now as far as if you look at the outpouring of emails and feedback that we've gotten.

Mobility strengthened and integrated, 1.2, increase frequency of transit services where needed and make necessary regional connections to reduce automobile use and provide travel options. Reduce automobile use -- I mean, we're a car-first city. Our tourists rely on cars to get around, our residents have told us exceedingly frequently that they want to drive their car.

[Time: 03:13:52]

So that, along with Councilwoman Janik mentioning 3.1, use complete streets as the framework for transportation system -- it's that term complete streets that Councilwoman Whitehead talked about, trigger points. I can't remember the exact term you used, but something along the lines there. I wanted to ask Lisa, may I ask you a question?

Some of the language in here is kind of crafty. So it's hard to understand what it means, because it's not in the plainest English. I wanted to ask you, is there anything in here that would move towards -- it talks about connectivity and pedestrian connectivity. Is there anything that moves in the direction of -- it says right here, require pedestrian/bicycle access through and adjacent to all open spaces. You look at that and you're like, require, that's a strong verb.

Pedestrian/bicycle access, I start wondering, what's an open space? We have the smallest lots and we have open spaces. So it raises questions about that. We have areas in our downtown with a pocket of open space and then we are saying we want to require bicycle access to that. Maybe sometimes more clarity. It uses this nice flowery language. It makes me feel good, but I want to understand what it means. That would be my feedback on the transportation section of this only. Thank you, Mayor.

Mayor Ortega: Well, I do want to cover some generalities here, as well as some specifics. So, the purpose of sustainability -- and there's a chapter on everything. Sustainability related to energy, sustainability related to mobility, quality, air quality, community services, how sustainable can they be and tells me how efficient something can be. And I think that's the overall intent. They even touched on the sustainability of our arts and character.

Sustainability of our economic engine, right. So all of these were touched on kind of in parallel with our general plan that it has to be workable, practical, and, of course, fundable. And we want to take deliberate steps when they talked about even the built environment and housing. Again, what is a good, sustainable pathway. They were described here as pathways. That's the general intent to let's just say, why are we doing this. Well, we want to reduce cost, but we want to increase efficiency, but we also want to reduce fatigue.

We want people not to be so stressed over all of these issues. That's the overall intent that we're looking at. Now, as we look at -- although the transportation element, you know, has all of those problems, right -- traffic, intensity, fatigue, and loss of efficiency and so forth. Now, in a way, because we're dealing with the sustainability plan today, we're not on sustainability 3.4 or 4.4, we're on 1.0, basically, in getting this done.

[Time: 03:17:43]

There was a lot accomplished with the ASU model, because they showed us all the hotspots and the cool spots along some of our public spaces, the green belt. And that was a good lesson. It was all predictable. You saw where most of the asphalt was in our other more dense areas. Now, in bringing this together, for instance, one of the comments that was made was people are aging. And gee, well, a certain percent are aging.

At the same time, the people that are aging are not interested in driving as much. So to say I've given up my car because I'm 80 years old, that makes sense. Now, what is provided in the marketplace? The same thing happened during the Phoenix Open, but they were 28-year-olds saying I don't want my car, I'm going to take an Uber out there or an Uber to the bar district. So you had both spectrums probably telling us the effectiveness. And I call it untethered mass transit.

That's because someone is saying we can orbit vehicles taking four or five passengers near where your dentist would be, your grocery store, and so forth. And you can get the directions and so forth off your phone. Now, that is versus the old model of linear. Linear was mass transit and so forth. We didn't live through that here in Scottsdale because now we have a technology that people are going to feel more

confident with that the right vehicle's going to pick you up and somebody else and make a quick circuit. Because as a rule, our vehicles are sitting 96% of the time, right?

You have your car, it sits in the garage. You take it for a 30-minute ride to work, you come back. It's used very little. So there's a chance for some efficiencies with, again, these untethered mass transit. But what did it do? We had 480,000 people at the Phoenix Open and they didn't take 220,000 cars, right? They said carpool, do the rideshare, do all that. And it was very efficient. And it handled that kind of a peak load. So we have a good shot. By the way, even in the resort business, people don't want to rent a car.

If you look at the numbers, the Rent a Car at the airport is less like for Scottsdale because they want a destination experience. So that's in the latest psychology of enjoying a walkable city. That's why I believe shaded walkways are so important in our environment and that kind of friendliness that we can do. The other aspect of tree canopy, shaded -- open space, cooling off -- all of these are integrated in a sustainable -- let's just say, visitor/tourist experience, resort, lifestyle, however you want to say it.

It makes it even better for our kids walking to school instead of just dropping them off when we live six blocks away. So all of that -- the safe environment, the safe aspect is tied together. There's other things that are happening. The City of Scottsdale just put in an application for almost \$19 million. It was approved at MAG. And it has a match of about 3.5 from the City. So, 16.

[Time: 03:21:43]

And it's a request for connectivity from the green belt to our Old Town. Here we have a spine that's 11 miles long, the green belt, but we don't have that other connection. Again, not saying biking is for everyone, but if we were able to secure that, then that's a very important connectivity situation. So we have all those levels that will pay off. Why are we doing it?

Because we want to reduce fatigue, reduce fuel use, and really end up sharing these spaces, versus as I normally see it, I see buses with three people in them, many times. Certain times they may be full, but if I saw a Waymo carrying around five people at a time, I wouldn't think any differently. And they're bringing them home from work or whatever's happening. That's a new tool we have that didn't occur 20 years ago. We'll be able to take advantage of that.

I think specifically, we are tying into the vitality aspect and how successful we can be with our customers and visitors and employees. So, it is -- and again, the big picture is there are action levels at the city level, right. That's internal to our organization. And the services we provide that we want to not waste food and we want to get products out to our seniors or whatever's happening. So many big corporations have a sustainability plan.

We're not inventing something that the hospital doesn't think about, saving water, saving energy. And yes, they do use green building because they know it pays back. It's important. It's a long-term investment that's really measurable. So we can provide that template for ourselves and then see how

well we can test that with our numbers and our smart meters and so forth so that the public can see results as well.

They'll say I did save some money here. And the City thanked me for it and whatever. It ends up being useful. This is at the early stages and I do want to go through with any specifics that -- because, again, broadly speaking, we have the same goal, right? Be a more efficient government, make sure we have a safe environment, and use our limited and scarce resources to the best advantage and do it with a smile so that Scottsdale -- because it really is attractive to other visitors to say hey, you cared enough to buy a preserve, protect the desert, invest in your products, and all these other things. That's a good thing.

For any specifics -- I know the Vice Mayor is listening. Let me ask, Vice Mayor Littlefield, did you have any comments thus far? And then I will go to Councilwoman Whitehead and Janik.

Vice Mayor Littlefield: Yes, Mayor, thank you, I do. I'm trying to get through this without coughing. I have several concerns about this proposal. And I basically agree with Howard Meyers and his email that he sent to us regarding what some of the problems are. And this proposal has not been properly vetted by the SEAC or with the public. For that reason alone, it should be withdrawn until proper outreach can be done.

While the plan does not mention some nice ideas -- or does mention some nice ideas, they are mostly things like recycling and open space that our citizens, who by and large are extremely environmentally conscious, already support. One big problem with this proposal is that it's like road diets. It's anti-car. Scottsdale residents have for years said that traffic is their number one complaint about how the city is run, but using personal vehicles is not only part of the freedom we enjoy in this country, in Scottsdale, it's a necessity for many.

[Time: 03:26:27]

It is not the job of the City government to push people out of their cars and onto bicycles or mass transit. Our residents have made it abundantly clear that is not the outcome that they want. So I do not want that to be a goal of this project. Also, as several have pointed out, the most important metric of sustainability is financial sustainability. Until we have achieved that goal, all of the metrics of sustainability are irrelevant. There has been no costing and no even estimate of costing on any of the stuff that they wanted to do in this.

Excuse me. We must remain active to tourists and higher income residents as they spend money. The priority should be handling traffic volume and providing parking. Tourism and downtown businesses rely on the ability of their customers to get around easily using personal vehicles and being able to park near where they want to go. This plan supports doing the opposite. That I do not support. This proposal calls for several initiatives such as cooling centers and expansion of community services. I'm not necessarily against those.

They're good ideas. But how will these initiatives be funded? We should not be proposing such things, no matter how worthy, unless we have an identified funding mechanism for them. Some of the suggestions in this proposal are at odds with other goals we promote. For example, our water department asks residents to save water by planting desert landscaping, while the sustainability plan asks residents to plant more trees. Which is it?

Is it good for shade to plant desert trees? They're not the shadiest around. This proposed sustainability plan suggests we should promote affordable housing, an issue this council has struggled with for 20 years at least. Our residents have said a resounding no to subsidized housing and as soon as we get a developer building another high rise apartment project, they start advertising luxury apartments at inflated prices. While this proposed sustainability plan encourages affordable housing, it offers no plan for making that happen.

And that's a problem. The bottom line, this plan is very vague and where it is specific it is at odds with the clearly expressed desires of our constituents. This proposed sustainability plan needs at a minimum to be shelved and sent back to pruning and outreach. It does not have at the support of the SEAC. Several members have refused to put their names on this for fear of professional reputation detriment to their job. And we need to take this back to the SEAC for future discussion and further discussion. And that's what I think we should be doing. Thank you.

Mayor Ortega: Thank you.

Vice Mayor Littlefield: Excuse me for coughing so much.

Mayor Ortega: If you wish -- thank you so much. It's much clearer now than in the past meetings, so, thank you, Kathy. Next, we'll go with Councilwoman Whitehead, Councilwoman Janik.

Councilwoman Whitehead: I just want to remind everybody here that this is a document and the reason I say that is we have -- this city and our voters have done the hard work. So we'll get this document right. But I want to really stress what have we done as a city? We've preserved over a third of the city. Last year, nations from around the world got together and signed a goal of preserving 30% of their country's space.

[Time: 03:30:33]

We did it years ago. We have a green belt. And I want to talk about that green belt for a second. It took three votes, because people said we don't need it. Can you imagine not having a green belt? I have never had a single constituent tell me I wish the green belt wasn't here. We have a water treatment plant that turns you know what into drinking water. Nobody's complaining about that.

And our green building codes are decades old. Yes, we just updated them in December, but we have -- we were winning awards at the turn of the new century because we were requiring green

buildings for municipal buildings and commercial buildings. So, we've done so much. And I just want to talk about the recycled water.

All of the investments we've made in sustainability have delivered in spades. Being the most western town just in a few streets downtown, that wouldn't cut it. We love it, want to preserve it, have done everything to do that. But we wouldn't have the Phoenix Open if we didn't have recycled toilet water as the press called it to make that golf course green. The green belt and the preserve are top generators of tourism. So, the good news is we've done all the hard work and it took -- many times it took several elections to get people to understand that this would be valuable use of resources. So we'll get this document right. I'm not too worried.

The hard part is if we set goals in this document, if they don't make financial sense -- we've become an international draw because of the investments we've made -- then they're not going to get approved. I do want to get a little bit specific. I agree on the metrics. This is a work study session.

What I would like to see -- it's something I've asked for four years -- we should have a list of the meters, what those meters are powering, buildings or other landscaping, how much energy we're using from each of those meters, maybe for three years, and what the cost is. Because the cost of energy is going up. Even as we reduce our energy usage, we might end up still having a higher utility bill.

The goal is to lower our utility bill. I want to tell everybody, our bill is \$26 million a year. Not doing something isn't saving any taxpayer dollars.

Mayor Ortega: What we'll do is we will get to some specifics, but I'm going to resume with Councilwoman Janik.

Councilwoman Whitehead: I thought you said specifics.

Mayor Ortega: Thank you for the overall view.

Councilwoman Janik: It seems like people have jumped to general comments, so I will, too. Lisa, could you put up that timeframe for movement on the project?

[Time: 03:33:39]

Lisa McNeilly: Can you switch to the ELMO?

Councilwoman Janik: I just wanted to say that I sent that information in on the timeline after talking to the SEAC chair and several other people, because it appears that it took about two years from an intern gathering initial data until we got to this point. And I don't want that momentum to be lost. So, I think this is a reasonable guideline. I think it's pretty much based on what Commissioner Brady of SEAC outlined.

But what I want is this timeline as part of the plan. I will not approve any plan that does not have a timeline where we get actual data, we get incremental increases, and we get goals. And I do believe that this provides a reasonable timeline after talking to several people on staff as well. Now, the other point I would like to emphasize is that we have a committee that would like to work with SEAC.

So we have staff. So it is a steering committee that will work with the commission to come up with this data. I hope that because we have so many experts, including Mr. Allsop -- I hope I said your name properly -- that they can hasten the timeline. We need to get this data ASAP. We don't want to goof around for two or three years. We want to get this moving. So that is my opinion. I think that's fairly reasonable.

But I would also like a little more input from it some other people to make sure it's reasonable. By all means, it gets included in the plan.

Mayor Ortega: I would give a nod to that myself, that I think, again, it's no different when we have to have a rollout, then we can get some measurables. I do see a positive nod on that. And I want us to -- these are also marching orders so that they're able to respond and collect more as we go. Next item?

[Time: 03:35:59]

Lisa McNeilly: Mayor and Councilwoman Janik, if I can make one quick clarification. So the reference to the intern from a couple of years ago -- that person was not gathering data. They were looking at what possible metrics or indicators we could gather data on. And so we used that input as well as previous sustainability indicators that were reported by the City to provide -- as a starting point for that list that is in the plan.

And we do have data collection under way. We're getting -- I've been pulling together stuff. I've been working with other staff. It's not just about having the numbers, it's sometimes about deciding which source of data. But it's also about being able to analyze that data and have a process in place to make sure that you can continue to collect it moving forward. And my apologies, I didn't want to keep you from talking, I just wanted to make that clarification.

Councilwoman Janik: One of the big reasons to have SEAC and other experts involved in collecting and verifying assumptions, what should be included and ex-included, I don't think that should just solely rest on staff. I think we need experts to look at what information is valid to making a decision, a quantitative decision. And that's based on my experience and working in a chemistry lab and teaching science, okay?

So we can't just say staff can do this, because if we're looking at historical data, perhaps our experts have access to more information that can facilitate a quick decision. Time is of the essence and quantitative data is of the essence. Then I'll wrap it up very quickly. I do think that Councilwoman Littlefield and Howard Meyers had a valid point. It kind of goes along with what Ms. Caputi has said. It is great to have the ideas. We want the data.

But along with this data and the next presentation we need to have a little bit of information on the cost, because I don't think it's advantageous to spend that much time on this project without having at least a rough idea. But along with what Solange says, sometimes if you pay the price, the outcome is we have more water, we've reduced the heat, we have better traffic situations. So they go hand in hand, but I do think we need some data as far as cost goes.

Mayor Ortega: Okay. And if possible, perhaps, again, covering the big picture, and looking at an extended timeline as well as additional input. That's what I've heard tonight. And now if there are any specifics or general comments, we'll try to classify them as we go. Certain things are actionable internally because we have measurements on our efficiency use of our buildings, right.

So when it's charted it says some things are City, some things are community action. You know, so there is a separate path for our own efficiencies and that can be measurable, and others that are listed on that last graph as far as what action levels. So there may be some things we can act on as an organization with our own facilities that we're trying to do. Councilmember Graham.

Councilmember Graham: Do you want to talk specifics or generalities?

Mayor Ortega: You were able to talk on the flashpoint of transportation. If you have a specific page number, just to give us some feedback so that staff and among ourselves we get some direction.

Councilmember Graham: I want to reiterate what Councilwoman Janik and Vice Mayor Littlefield said about supporting Howard Meyers' email. Jim Davis expressed a similar sentiment, which was that this needs to be in the context of fiscal sustainability. So when we talk about granularity and getting more data, we do want more information on cost. So I'll go a little bit.

[Time: 03:40:50]

Lisa, I had a quick question for you. I'll try to go through some of these quickly. The hour is getting late. I don't want to belabor this. People have families to get to. We'll stay as long as we need it, I'm sure. The plan talks about net zero energy aspirations, 15% reduction by 2030. And you led the sustainability and City of Baltimore. They really had really aggressive reductions -- goals for reducing gas emissions. And what were some of the challenges when you led City of Baltimore as far as achieving those aggressive goals that you think Scottsdale might need to prepare for?

Lisa McNeilly: Right. And just as a reminder, the discussion around net zero energy, which came from the general plan, is on the agenda for the council retreat on Thursday.

Councilmember Graham: Very good.

Lisa McNeilly: This is a concept -- taking your words to heart, Councilmember Graham, about using inside baseball terms, but net zero is a concept of trying to use as much energy efficiency as you can,

adding as much renewable energy as you can to shrink that gap so that maybe on net you're down to zero energy use.

Moving forward. You know, challenges can be existing buildings. Existing buildings are -- very often are slower to move to see those energy efficiency and renewable energy challenges, and, you know, another -- I don't always like to think about it as challenges, but contributing factors. How do you get there, how do we build this up. One other way is working with utilities.

So that's why on, sort of, the chart here on the side when I talked about outreach and focus groups on setting goals and taking that data and understanding what to do with it, we wanted to make sure we had a chance to include utilities on it. So both of our electricity providers are on track to net zero by 2050, I believe. And that allows us to -- that gives us some guidance on where we as a city can be in that timeframe. You know.

There's a map on the front page of the Washington Post I believe yesterday about sources of heating. So in Baltimore we had a lot of natural gas heating, a lot of fuel wall heating. Here in the this area it's a lot more electricity. That makes it easier to get to net zero. Utilities know how to move towards that.

[Time: 03:43:49]

Councilmember Graham: Did City of Baltimore meet its climate emissions goals and keep users at the same cost level?

Lisa McNeilly: A couple of points. So, we were finishing up an inventory. We were close to hitting our first goal. Most of the rest of the goals were out into the future. I had mentioned that we're working with ASU on our first greenhouse gas inventory. And we have some preliminary data from APS, which provides most of the electricity in the city. And over the last four years, electricity use citywide, not municipal operations but citywide has been relatively flat.

And so the City of Scottsdale has been decoupling, has grown, we've seen economic growth and population growth and have kept electricity at the same level. There are other places that have done that.

Councilmember Graham: And that's while we're growing as a population.

Lisa McNeilly: Mhmm.

Councilmember Graham: That's something to celebrate.

Lisa McNeilly: Yes. When we have all of that data and have done that analysis, can bring that back and that can help inform conversations around goals.

Councilmember Graham: Okay. I'll move along. We can talk about Baltimore another time. But I want to say that electricity is decreasing per capita. Councilwoman Whitehead talked about we want safe, clean water. We want good parks. We have all those right now without a sustainability plan. We protected our preserve without a sustainability plan. That doesn't mean we don't need a sustainability plan.

I think a sustainability plan should be something that we can build consensus and get around things like heat island and what the Mayor talked about as far as what as an organization -- because this is more of an external top-down community. This is what you shall do. And so I'm a little bit hesitant about some of the initiatives there and how heavy-handed it may or may not be.

We've done a lot -- Scottsdale citizens have done a lot to sustain Scottsdale from their own initiative. And so I would like to become a little more dispassionate about the urgency of passing this so quickly. It's got to be now, we've got to do it now no matter what it's there, and I'd like to slow it down and become more dispassionate about looking at all the facts. Because we can feel the benefits but we need to know the cost.

And Councilmember Durham talked about understanding what the metrics are as far as where we are, where we're going to appreciate and feel the full impact of the benefits. And I'll move along quickly. I know the hour is getting late. Page 22 -- this is kind of -- I felt like this was a panoply of new green code. Call it standards. And this is what -- I made reference or allusion earlier to Michael Clack, there he is in the back.

Thank you for remaining here and indulging us. You talked eloquently earlier about the cost for the green codes we passed in December. As I look at page 22 of this, continue lead gold requirements for civic structures, strengthen enforcement of all building codes -- that means hiring people and checking on more buildings. Implement a green retrofit and cool roof program for buildings. I think that kind of means spending money to change existing infrastructure.

[Time: 03:47:49]

Adopt and implement energy and green construction codes beyond a minimum modal codes. This is not -- the specificity of this is not breath-taking, but maybe you -- if you would be willing to come back and talk to us about what this might mean for your department, staff enforcement, encourage site development strategies that incorporate storm water harvesting. I feel like there could be some benefits there, but I would like to know the full picture. I'm sure my colleagues would, too. Page 25, I have concerns about pay as you throw.

Pay as you throw is a concept about -- as far as disposal, which would mean in my opinion that the Godzilla, the trash comes to your house, it takes your trash and then it weighs the incremental measure and charges the user based on that. Is that not accurate?

Lisa McNeilly: I think it can be implemented different ways. What I'm most familiar with is that it looks at charge -- when I had a system where I paid, what I thought was paying as I throw, I had a choice of

paying for three different sizes of trash bins and that's all I paid for. I didn't pay for recycling or the green waste and composting.

Councilmember Graham: So there's simpler ways to achieve that.

Lisa McNeilly: Yeah. It's not measured, but if I recycled and composted enough I could pay less for trash.

Councilmember Graham: I think of my trash is full, or someone's trash is full, I'm going to fill up my neighbor's trash.

Lisa McNeilly: I hope not. Just don't litter.

Councilmember Graham: We want people to do the right thing, right? I have questions about that. I did want to express for the record, I was a little bit disappointed in the dissatisfaction expressed by the McDowell Preserve Commission. I think they felt on the outside looking in. I know you went back to their commission and incorporated some of their feedback. I was pleased about that. There is just also another -- it creates a bunch of policies and programs. Some of them may be good, some of them may not be.

[Time: 03:50:07]

Food policy council, a business recognition program, an energy plan, a building materials program, a waste drop program, an EV purchase program. There's a lot of programs in here. That's why it's like, maybe these are all good things, I don't know. But it's kind of like let's slow down and think this through and really make sure that we understand the costs and the impacts to a lot of this, because Scottsdale -- people want a great climate.

They want reduced heat island. We are getting there incrementally without a sustainability plan. You want the plan to not be polarizing. We end up with hundreds of emails. So I look forward to working -- I think that's going to be -- wrap up some of my feedback for tonight, because I know tonight's a first step, but we've come a long way in Scottsdale without a sustainability plan.

I think the sustainability plan should be on the organization of the City of Scottsdale and how we can be leaders in sustaining, but also having a complete picture about cost and benefits. So, I'll conclude my comments and feedback for the time being and I appreciate my colleagues listening to me. And I appreciate the Mayor for giving me the opportunity to ask those questions.

Mayor Ortega: Thank you very much. Next, Councilwoman Whitehead.

Councilwoman Whitehead: I'm going to try to get my ideas quickly. I want to comment on something that Councilwoman Littlefield said. It ties in with the lane reduction being in the sustainability plan. And that's affordable housing. I don't see how -- I meant to bring up, I don't see how that fits into a sustainability plan at all. So I would agree with that.

And I want to comment on these costs. I think what we're looking for is a baseline of how much energy or how much water we're using and how much that's costing us. The solution -- we cannot possibly put in this document how much a solution will cost because we just -- we're just setting goals, like we would like to have lower utility bills. And then we have to evaluate is the solution going to save us money or cost us money.

I want to stay away from trying to put dollar amounts in here other than how much we're currently spending. If I could quickly go through really big ones that need to be addressed in the next version of this. And Councilmember Graham, I want to mention your idea. Yes, we have had a generations long community that's sustainability-oriented, but if you read our general plan -- I can't remember what the year was.

The last general plan. It reads like a sustainability plan. And that's really how we got the green buildings. So our LEED program, that's decades old. We've been doing that for decades. Okay. So here are some of my comments. Yeah. We all agree on the modal thing. Okay. For energy, I really think we need to know.

APS bills us very efficiently every single month. We have the right to know what meters we have, what those meters are powering, how much we're being billed for those meters and how much energy we're using in every meter. We deserve to know that. I don't see why that's so difficult. Boy, am I not touching mobility. We've hit that like no problem, too many times.

[Time: 03:53:50]

Water resources -- something that's really missing in this water resource strategy actions and indicators are golf courses. So, yes, we do use other than nine golf courses we do have a blend of recycled water, but I would like to see some goals. In Nevada, the new rule requires that golf courses use five acre feet per acre of water. I just don't know where we are. That's a baseline. We tend to like to do things voluntary and incentivize and make everybody feel good, not regulate, but we don't even know what our golf courses are using. I'd like to see golf courses added.

Mayor Ortega: That's page 13. We're better -- we have that before us, but page 13. Use the page number when you can.

Councilwoman Whitehead: Okay. Page 14, everyone.

Mayor Ortega: Open spaces.

Councilwoman Whitehead: Okay. He's training me. This ties into something that Mr. Graham just said. I agree that we have nothing about wildlife corridors. It's nice to have open space, but if there's not connectivity -- and that is what the Preserve Commission -- that's their comments. We're not just trying to have open space, we're trying to have biodiversity and healthy wildlife. So, that. Let's see.

On economic vitality, which is page 18, there is no economy if we're 140°. There is none. So I think somehow we have to have some kind of metrics that show that these programs having water, having lower heat, urban heat, and that's what white roofs do, has a huge impact on our economic viability. On page 22, the built environment, I just think that, yeah, we need to have a guide for utility bill reduction, focus on the money side of things.

Waste as a resource, which is page 25, near and dear to my heart. Our landfill that we're using is on the Salt River Indian Reservation. Very little life left in that landfill. So it's kind of like when you run out of water. Water costs so much. When you run out to replace at the water cost a heck of a lot. Landfills aren't cheap. Page 25. I just wanted to add residential compost into that, because there is a service that would cost the city nothing and we're looking into it to collect residential compost and I want to compliment solid waste staff for the new transfer station, which is going to get a lot of green waste out of our recycle versus going to the landfill. So, compost on page 25.

[Time: 03:57:01]

On food systems, I want -- that's page 27 and this is the last page that I'm going to review tonight. So, everybody be happy. I am working with Waste Not Arizona to make Scottsdale a food waste -- zero food waste tourist destination. So we're working with hotels to rescue food that would otherwise go to the landfill or have it composted. So I would like to have food rescue really put in there as a strategy and an indicator.

Also something that bothers me every year, and it is in the general plan, is we have fruit trees throughout the city and no program to help these people get those fruit trees picked. And it's so tempting sometimes to pick a piece of fruit off of somebody's tree that you know they're not going to -- I would like some kind of aspirational fruit tree program. And that's it. Thank you so much, Mayor, and everybody else for my -- letting me explain my goals there.

Mayor Ortega: Thank you. Councilwoman Janik, and then Councilwoman Caputi.

Councilwoman Janik: Okay. Real quick, page 22, that Councilmember Graham has touched on and Councilwoman Whitehead has touched on. I want to just point out under built environment one, policy 1.3, I've had several senior citizens talk to me that they don't want -- if they remodel -- that they will not be forced to have a solar system or solar-ready.

And 1.3 is heavy handed, support code requirements of new construction and remodels. That's an overreach. In any of these chapters that we have a similar overreach with remodels, I would say we need to temper that down, because it's very difficult for the seniors to accomplish all these goals if they want to do a remodel. Thank you.

Mayor Ortega: Councilwoman Caputi.

Councilwoman Caputi: This is a community sustainability plan. I think I heard housing affordability shouldn't be a part of a community sustainability plan. I want to say that I can't think of anything that would be more appropriate in a community sustainability plan than having housing that our community can afford, not just at one end or the other, but throughout the whole spectrum.

That feels weird to me that someone would say housing shouldn't be part of a sustainability plan. And there's a lot of points in here. I had mentioned this, talking about having a diversity of housing, having housing options near transportation hubs, all these things that we say we want to do. And it would be so great if we actually did them. Because the one thing we do know that saves water that increases efficiency is having a diversity of housing, having less urban sprawl.

We 100% know that that uses less water, that that makes for more efficient use of city services, all those other things. It seems strange we would take those things that are most important for the sustainability of our city and then not put them. I think it's great that those things are in our plan. Thank you.

[Time: 04:00:32]

Mayor Ortega: Well, thank you for taking notes. And we have as well. So, I would conclude with this. Did you have any other direction?

Lisa McNeilly: Can I just make sure that I have captured all of this? And so this is a blue ink pen, but I've heard loud and clear there's a red ink pen needed. I've made notes on those details. When it comes to the timeline -- we'll be talking more about the net zero plan on Thursday. What I've heard and will plan to take away is that I will be pulling together baseline data and working with SEAC and others.

I want to make sure that the direction is also that there is time with outreach focus groups to all of the other commissions before we set any goals in the plan to get their input on it. Then those goals are included in a year and a half in a sustainability plan, because we're not talking about adopting it at that point, and a net zero plan.

Because I've heard -- and I'm glad I stopped, because I'm not seeing nods on that. And so if I could stop for a second, when I say goal, what I mean is not the strategies and the actions, but that it might be a 30% reduction in energy per capita by 2040. That would be a goal to me. We need the data. But I also heard a lot of talk about outreach. And for me, having that outreach with the data and then the goals was one thing I heard, but maybe I'll stop and get --

Mayor Ortega: Let's discuss that a bit, then. Councilwoman Whitehead and Councilwoman Janik.

Councilwoman Whitehead: I was going to have Councilwoman Janik. I think my thought is that we all gave input. And my feeling is we don't need more outreach. There has been a tremendous amount of outreach. But what I'm hearing is that we want not just a document to consider and approve, but we want one that has very firm timelines. And I'm going to let Councilwoman Janik fill in there.

Mayor Ortega: Okay, Councilwoman Janik.

Councilwoman Janik: Quickly, I did mention we have support staff steering committee working with the commission. To me, that is how we gather the input from each individual department. That steering committee would be involved in formulating the data points so that it's not a separate movement to be added on, but we work together. And I would assume the steering committee would have members from each of our different departments.

Lisa McNeilly: If I can just -- I think specifically on the question -- I did reach out to say our utilities. So, energy and greenhouse gases are a big area where I think goals would be set in this plan. And I think that would be a group that I think we would need to make sure we had time to talk to as we set any of those goals. And so that was trying to look at that timeline for that. That's outside the expertise of our sustainable steering team and SEAC, because it is -- would be major partners on implementing those portions of this plan.

[Time: 04:04:30]

Councilwoman Janik: Wow. I am really mixed on that and I think we need to delay that until another time.

Lisa McNeilly: Okay.

Councilwoman Janik: Because to me, those can definitely be delay tactics. And I don't want any more delay tactics on this. And if we have the steering committee representatives, they should be able to feed into that data and get it for us. And I do believe that our experts have contacts with those industries and they can be available to get that data in a very efficient fashion. But I think that's something we need to discuss.

Lisa McNeilly: At the risk of seeming -- we are getting that data. It's not the data, it's figuring out how we use that and what we then say we want our future to be around energy. But absolutely, we should delay this. I wanted to make sure I hadn't been unclear in what I was suggesting. I have APS, SRP, Southwest's data citywide and for the city, but we need time to look at it.

Councilwoman Janik: I would say Dr. Brady, who's in charge of our SEAC committee, her 15-20 page letter had everything in it. I would use that as my guideline. If she had everything in it and had a guideline that approximates this, we're in very good hands.

Mayor Ortega: So, I will add this. I think we're closer than we think we are. When I look at the number of strikeouts or add-ons, we're getting closer with this exercise. I also think that having the parallel path with experts that have contributed and some of them have been testifying during the input portion -- that is also very useful.

The other stretch that I'm hearing is that we want to look at what the costs may be involved in achieving something. And that's a good thing to know. That's where the cost-benefit factor, and that's a strong point to make. So, Scottsdale has been doing many things right, okay? Over a period of time. And I'll say it directly. I'm very defensive about our water system, our water resources, and our water facilities.

I have lived here for over 45 years and we've invested and our businesses have invested in our water system. My neighbor invested in our water system. So, you know, I don't like any X factor outside of our jurisdiction or outside of our general plan bumping into our limited resources. I also see that we have plateaued in terms of energy use. That's a good sign, rather than continuing on a high plane.

[Time: 04:07:48]

So therefore, there's some sensibility that's saying we are on the right path. And maybe now we have to retrace and map it, so to speak, with sustainability. So I like the concept with Councilmember Graham saying, you know, we are on a path of sustainability. How much of it do we need to record now? We do, because we have a directive to do that. But we need more data to show whether we're achieving that. So overall, I think we're closer.

This is something that's mandated by our voters and a sustainability plan. I believe it started at the state level, the state smart cities require a sustainability plan, even though we didn't have a general plan enactment in 2011. That failed. They still had to adopt a sustainability plan. So all of that together, and you can see we have -- I call it a friendly council that's looking at saying how can we better serve ourselves as servants of the community and how can we encourage that participation community-wide. I thought I had the last word, but Councilmember Graham, are you requesting --

Councilmember Graham: Thank you, Mayor. Really brief. I just want to reiterate that urgency needs to be prioritized beneath getting this right, because when we get an onslaught of emails like we did this week on a subject that may not even have primary, secondary, tertiary importance, doesn't even belong here -- that is not going to breed the most confidence in this plan. So I'm looking forward to continuing the discussion. Thank you for presenting to us and for listening to our feedback tonight. You're caught in the middle of a lot of different crossfire, I imagine. So, thank you, Mayor.

Mayor Ortega: Absolutely. Thank you one and all. And with that, I think we're concluded for our work study item. I would request a motion and a second to adjourn.

Councilmember Graham: Motion.

Mayor Ortega: Okay. Please record your vote. Unanimous. Thank you so much. Good evening.