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#### **CALL TO ORDER**

[Time: 00:00:01]

Mayor Lane: Good afternoon, everybody and thank you for being here for one of our city council meetings and certainly today is March 15<sup>th</sup>, 2016, it's approximately 5:10. And we'll start, I would like to call to order our March 15<sup>th</sup>, 2016 council meeting. We will start with a roll call, please.

#### **ROLL CALL**

[Time: 00:00:18]

City Clerk City Clerk Carolyn Jagger: Mayor Jim Lane.

Mayor Lane: Present.

City Clerk Carolyn Jagger: Vice Mayor David Smith.

Vice Mayor Smith: Present.

City Clerk Carolyn Jagger: Councilmembers Suzanne Klapp.

Councilwoman Klapp: Here.

City Clerk Carolyn Jagger: Virginia Korte.

Councilmember Korte: Here.

City Clerk Carolyn Jagger: Kathy Littlefield.

Councilwoman Littlefield: Here.

City Clerk Carolyn Jagger: Linda Milhaven.

Councilwoman Milhaven: Here.

City Clerk Carolyn Jagger: Guy Phillips.

Councilman Phillips: Here.

City Clerk Carolyn Jagger: Acting City Manager Brian Biesemeyer.

Acting City Manager Brian Biesemeyer: Here.

City Clerk Carolyn Jagger: City Attorney Bruce Washburn.

City Attorney Bruce Washburn: Here.

City Clerk Carolyn Jagger: City Treasurer Jeff Nichols.

City Treasurer Jeff Nichols: Here.

City Clerk Carolyn Jagger: City Auditor Sharron Walker.

City Auditor Sharron Walker: Here.

City Clerk Carolyn Jagger: And the Clerk is present.

Mayor Lane: Thank you very much. Okay. Just a couple of items of business. If you would like to speak on any of the items or for public comment we have white cards for you to fill out tonight, that the city clerk has over her head to my right. And if you have any comments on the agenda items, you can fill out the yellow card.

We will have Scottsdale police officers, Jason Glenn and Tom Cleary. They are generally right there at 11:00 in front of me, if you have any need for their assistance. If you have any medical emergencies, we do have, I believe, yes, we have our -- okay. Okay. Pointing in the wrong direction, but our E.M.S. personnel from the Scottsdale fire department here for any assistance in that area. Thanks.

The areas behind the council dais are reserved for the council and for staff. We do have facilities over here under that exit sign for your convenience.

**PLEDGE OF ALLEGIANCE**

[Time: 00:01:37]

Mayor Lane: We'll start the evening with the Pledge of Allegiance and we have the Scottsdale Bobcats to lead us in the pledge. Please rise if you can.

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

Mayor Lane: Thank you very much. And if you, would just go ahead and introduce yourself and give us a little bit of information.

Dan McCauley: My name is Dan McCauley. I have been a Bobcat since '88. I play basketball and I also do golf.

Braden James: I'm Braden James. I play basketball, flag football, track, swim, and golf.

Kelly: I'm Kelly. I'm also a part of the city of Scottsdale Bobcats. I have been with them since I was 13. I have done swimming, golf, basketball, football. Every sport, you name it. I will stick with the Bobcats and we will always stick with you.

Mayor Lane: All right. Well, very good. Thank you very much.

**INVOCATION**

[Time: 00:03:29]

Mayor Lane: For our invocation we have Pastor Andre Wadsworth of the Impact Church. Pastor?

Pastor Andre Wadsworth: Good evening, Council, Councilmembers, Mayor Lane. Man, I heard all of those sports, I was like, man, I wish I could still play because I can't play anymore. Glad to have the Bobcats here. Please join me in prayer.

Father God, we just thank you for this beautiful day. There's so many things to be thankful for. Lord, just as the years go by, we have to look back at how we made it through, as a country, made it through as a city, and we are making this through as a community. Lord, I thank you, father, God, for your continual protection over our leaders, our mayor, council men and women. Lord, we just ask that you continue to protect their families. Lord, through these times, Lord, we also ask that you continue to give us the prosperity, Lord, not just in a financial standpoint, but prosperity in health, Lord, that we always strive, Lord, that no matter what it is, it's always good to have good health. I

pray for peace, Lord in a time and era where sometimes peace may seem so far away. Lord, we just ask for continued guidance and for peace, not only for our city, our country, but for the world. I thank you for the passion. Lord, passion drives every human being and all that we do. Lord, let our passions always go further than ourselves, just like myself, sometimes we could be selfish. So Lord, I just pray for the passion that it goes past ourselves. Lord, we can always look to help others, be with others and every decision that we make, that it has a God-centered focus to help others and lift the outside of ourselves. I thank you that you are a God that's gracious to us. Bless this meeting that we have and protect us and guide us in Jesus' wonderful name. Amen.

Mayor Lane: Amen. Thank you, pastor.

### **MAYOR'S REPORT**

[Time: 00:05:40]

Mayor Lane: Well, this evening, we have the Hohokam Traditional Schools robotic team. After winning the Arizona VEX I.Q. Robotics State Championship, Elementary Division, Hohokam Traditional Schools robotic team Talon has qualified for the 2016 VEX I.Q. competition in April. In 2016, VEX I.Q. challenge elementary division will be held on April 20<sup>th</sup>, through the 23<sup>rd</sup> in Louisville, Kentucky.

The robotics team led by coach Mike Peabody who is here with us this evening is excited to have the opportunity to compete at the world level. We would like to also welcome the Hohokam principal Chuck Rantala. We have the team here today and we would like to welcome them all to the podium, Mike to the podium, and principal, if you would like. And if you want to say a few words about it.

Mike Peabody: Thank you, Mr. Mayor and council people. There is Mr. Chuck Rantala, the principal of Hohokam. If you want to put the robots down on the ground to show everybody here what you do. As you can see from the picture, we do have a field set up at our school. And at that field, there is a ramp with 16 balls on it, and then there's a ball all over the world. The goal is that they are to knock as many balls off the ramp as they can and score as many points as they can and then park back up on the ramp. One driver has 30 seconds and they hand it off to another driver. So imagine 14 kids on the teams going to these competitions. Sometimes it's like herding cats but it's absolutely wonderful because -- show off.

These kids are third, fourth and fifth graders, ranging anywhere from beginning 8 years old to 11 years old. And they have demonstrated leadership, courage, abilities beyond recognition, I think, and just an amazing comprehension for robotics and what we do actually need in this world with robots. So under the guidance here, I want to point out Mr. Andrew Joswell, the coach of Talon who helped to get the kids organized for the competitions and also my son, Owen Peabody here who is the coach of our third robot which we don't have here tonight, unfortunately. So with everybody's help, we all okay. Together as a team. We all came together as a team Hohokam to win and it's an absolutely incredible feat and a wonderful time!

Mayor Lane: Congratulations, coach, and to the whole team. Great work.

Mike Peabody: Thank you.

Mayor Lane: Don't let those things get away from you.

Mike Peabody: I'm sorry, I did forget one thing, Mr. Mayor, if I could. As Mr. Rantala just reminded us. We are going to the world competition in Louisville, Kentucky. We have six kids going to that competition. We also have six adults going with those kids. We are trying to do fund-raising for the school to actually send us there. We are looking at about a \$20,000 bill to go to the world competition. So we are asking for donations from city members, from state members, from anybody around the world who wants to donate to us. Our school address is 8451 East Oak Street in Scottsdale, and get in contact with the school, they can tell you how to make a donation to help out these kids, go to worlds and compete. Thank you.

Mayor Lane: And that was the address of the school? So if they just know Hohokam, they can certainly look that up.

Mike Peabody: Certainly, Hohokam Traditional School 8451 East Oak Street.

Mayor Lane: Thank you.

## **PRESENTATIONS/INFORMATION UPDATES**

[Time: 00:10:03]

Mayor Lane: The next item of business is presentation from the Scottsdale Cultural Council activities update from Neale Perl, president and C.E.O. Mr. Perl, sorry I missed you earlier. I didn't see you there.

Scottsdale Cultural Council President and CEO Neale Perl: Good evening Mayor Lane, and city councilmembers. I'm Neale Perl, president and C.E.O. of the Scottsdale Cultural Council. I want to thank you for this opportunity to address the council, provide an update on our very successful season, and recognize members of our senior management team here tonight. Without a doubt, the arts are thriving in Scottsdale. As you know, we are pleased to be celebrating two milestones this season. The 40<sup>th</sup> anniversary of the Scottsdale Center for the Performing Arts and the 30<sup>th</sup> anniversary of Scottsdale Public Art.

First, I want to thank the council again for its ongoing support and in particular, for funding of city equipment and facilities upgrade to the center and the museum, including our theater lighting. Making these critical improvements will enable us to continue providing the best possible experience for the public. Our staff has been working closely with our colleagues at the city who are procuring the prioritized items.

We are grateful are for the \$100,000 in matching funds for Scottsdale Public Arts annual Canal

Convergence. This has encouraged many new donations to the free and high visibility community event. I'm pleased to report to you tonight that we have already raised \$95,000. These donations have come in all sizes from small to large and from local residents, grant-making organizations, supporters throughout the country, including the National Endowment for the Arts.

And the Canal Convergence took place at the Scottsdale Waterfront February 25<sup>th</sup> through 28<sup>th</sup>, and was an extraordinary success with substantial press coverage and record attendance. For the first time ever, Scottsdale Public Art increased the footprint of Canal Convergence to activate both sides of the canal between Goldwater Boulevard and Scottsdale Road. Visitations were up an impressive 47% this year, to a record 56,000. This is compared to 11,000 at our first event, and 38,000 last year. A dozen artists participated from as far away as Australia, Hungary and Japan. In fact, we now have international artists approaching us to participate. Canal Convergence has truly become a signature event for our city.

We also appreciate the recent city proclamation, recognizing public art, and seeing Mayor Lane and so many councilmembers at the Waterfront in support of this exciting event. Our schedule of free community workshops was also expanded with more than 1500 people participating. One of the highlights was a series of dance workshops for families and people of all aged with the world renowned dance company Pilobolus. This was made possible through a collaboration with public art and center of performing arts and others also participated in Canal Convergence.

As part of the cultural council's new strategic plan we have been working to increase our collaboration, bringing to go and leveraging the resources of our entire organization which in turn enhances our service to the community. Canal Convergence attracted more sponsors than ever before. A testament to the community's strong support of the event and a positive sign for its continued success. I particularly wish to acknowledge Billie Jo and Judd Herberger, as well as our presenting sponsors, the city of Scottsdale, SRP, the national endowment for the arts and nationwide.

Building on the momentum of this year, public art is already hard at work planning our next Canal Convergence. This will include a major art installation that will go on view in November, activating the canal during the holidays and the months leading up to the event, just as we did this year with Bruce Monroe's highly successful blooms as depicted in this dramatic slide. I particularly like how the blooms look different during day and night.

This past weekend, the cultural council presented another major destination event, the 46<sup>th</sup> annual Scottsdale arts festival, which attracted more than 25,000 visitors to downtown Scottsdale. Our second highest attendance in the last ten years. Among the highlights were public ArtWalking tour, which show cased the many public art treasures of old town, and the local first Arizona marketplace, featuring a variety of locally produced artisan goods.

In January, SMOCA opened Betye Saar, still ticking. It's 60 years of art by this legendary African-American artist. The exhibition has received an enthusiastic response from visitors, and as you can see from this slide, impressive national and local media coverage. The Center for the Performing Arts is enjoying an extraordinary 40<sup>th</sup> anniversary season with sold out performances by

numerous artists, including Lyle Lovett, Alan Cumming, Jane Lynch and London's Royal Philharmonic. In addition, we welcome many performers to our stage for first time, such as the hot sardines, Australia's ten tenors and the recycled orchestra of Paraguay. We are thankful to the Scottsdale technology company Innate, who is generously sponsoring this milestone season.

As part of our strategic plan, our staff is continually focused on innovative programming. As such, we plan to launch the season's new season earlier than usual to better serve our residents and winter visitors. I invite you to attend the special sneak preview of the upcoming season on March 31<sup>st</sup> at the center.

The cultural council's education and outreach programs continue to have a remarkable impact on students and adults in our community. As you know, we partner with many schools and organizations to provide these valuable learning experiences. As part of their week-long residency at the center, the dancers of Pilobolus also work with local middle and high school students, seniors, and the detour company theater whose members are adults with developmental disabilities. In addition to their three public performances enjoyed by more than 1500 patrons, Pilobolus gave a special matinee performance for more than 700 students. Thanks to your support, this represents just one example of the 2,000 education and outreach programs that we offer throughout the year. The majority free of charge, impacting more than 185,000 participants.

I invite you to attend our upcoming arts showcase at the center on April 27<sup>th</sup>. This is annual event celebrates the accomplishments of local students participating in our outreach an residency programs which include the literary, visual and performing arts. It's an opportunity to support these talented young people and see how the cultural council's arts education programs benefit individuals, schools and our entire community.

In closing, I want to thank you again for your time today, and the generous support of arts in Scottsdale. I look forward to returning in June to give you a future update on our programs and how they impact our community and visitors from around the world. Thank you so much.

#### **PUBLIC COMMENT**

[Time: 00:18:37]

Mayor Lane: Thank you, Mr. Perl. Next item of business is public comment. We do not have any public comment cards at this time but it's reserved for citizen comments regarding non-agendized items, items we take no official action on but we do not have any requests for that. They are three minutes each and it's reserved for five individuals, but and there will be another time at the end of the meeting if it's determined that we have a need.

#### **MINUTES**

Mayor Lane: I have a request for the approval of the regular meeting minutes of February 23<sup>rd</sup>, 2016 and work study session minutes of February 16<sup>th</sup>, 2016. Do I have a motion to approve or any

questions or deletions or adds?

Councilman Phillips: So moved.

Councilwoman Klapp: Second.

Mayor Lane: The motion has been made and seconded. Ready then to vote for those minutes. It's unanimous acceptance. Thank you very much.

### **CONSENT AGENDA**

Mayor Lane: The next order of business is for our consent items 1 through 11. At this time, I would want to note that item number 3, the Impact Church Sunrise luxury living perimeter exception is continued to April 5<sup>th</sup>. I do have a request to pull consent item number 9, which is the wastewater treatment and capacity agreement and that's a request to adopt resolution 10367 authorizing agreement number 1996-058-COS-a1 with Liberty Utilities to accept and treat wastewater from the service area of the black mountain sewer corporation. So that item is pulled and it will be moved to regular agenda. Before that we will move to the regular agenda as well. So unless there are any other questions of council, there are no requests to speak or any items on the consent items. I will accept a motion to -- to accept the consent items less item number 9.

Councilwoman Littlefield: Mayor I so move less item number 9, and absent item number 3, which is being continued to April 5<sup>th</sup>.

Councilwoman Klapp: Second.

Mayor Lane: The motion has been made and seconded. Thank you very much. Are we then ready to vote for those consent items with those exceptions. Please indicate and register your vote. Yes. It's unanimous acceptance with those two items, one being continued and one moved to regular agenda. So if you are here for any of those items, you are certainly welcome to stay with us, otherwise, you can exit quietly.

### **ITEM 9 – WASTEWATER TREATMENT AND CAPACITY AGREEMENT**

[Time: 00:21:38]

Mayor Lane: We'll move on to our regular agenda items. Actually, which are 12 and 13, but now added item number 9, which is as I indicated the wastewater treatment and capacity agreement. Mr. Biesemeyer, would you take the presentation on that?

Acting City Manager Brian Biesemeyer: Thank you mayor, I will. This is an agreement with Liberty Utilities which is the -- which is the owner of Black Mountain Sewer Corporation. And this is really an amended and restated agreement. Really in summary, service area is approximately 2200 customers, about 1,000 of those in Scottsdale. This extending the current agreement we have from

April 2016 to 2036, it's a 20-year agreement and it does allow for better enforcement on the city's side for pretreatment. That means to ensure a quality wastewater and it doesn't exceed certain limits. It enables the closure of the Boulders wastewater treatment plant. It also -- it allows for some purchase capacity in the city of Scottsdale system but it updates that purchase capacity to our current prices, and then it's -- rates are based on flows and loading, which is consistent with the current agreement. So there's no true additional cost in it, other than if they purchase additional capacity. And that concludes my short presentation pending your questions.

[Time: 00:23:20]

Mayor Lane: Thank you, Mr. Biesemeyer. Just a question from myself and that is, this is an increase in the amount of wastewater to be treated, as well as now or do I understand there's an adjustment in the price, to update the price in the agreement?

Acting City Manager Brian Biesemeyer: It updates the price to purchase that capacity. The current agreement was based in 1996, and it had a 20-year-old price for purchase capacity. This is now an updated purchase capacity to ensure that we are not -- that they are getting the current rate that it cost us to build capacity in our treatment facilities.

Mayor Lane: Does this in any way change the recycled water system for the golf course in that area? It does not. It decommissions -- it allows Black Mountain or Liberty to decommission the Boulders treatment facility but it doesn't change our current reclaimed water distribution system to that facility.

Mayor Lane: Okay. Let's see, no comments here from the council, but I will say that we do have a few cards for requests to speak on this item. So let's start with Susie Wheeler, followed by Les Peterson and then Bob Cappel.

[Time: 00:24:48]

Susan Wheeler: Good evening, Mayor and City Council. My name is Susan Wheeler and I live in the Cactus Corridor. I'm standing here to speak to you on this because I went through the contract and I know you have nothing to do with the area, but what a missed opportunity when you are negotiating with them to bring Winfield into the Scottsdale. It's right at the edge. There are 511 homes in there, and their cost is \$65 and could go up to \$79 and even higher. And some of the people in there are winter visitors. They are only there three months but they are Scottsdale residents and I feel like that there's something that the city of Scottsdale could do to benefit these people. I don't know what it would be but it's awfully high considering in Scottsdale you pay from \$12 to \$24 a month for sewer and I know the corporation commission sets the fees and the area, but I would think the city would have some impact or some availability to talk to the corporation commission and see if there is anything they could do, like base the fee prices on the water usage for January, like we do here in the city of Scottsdale.

I wanted to voice a complaint. It will affect the prices of the properties up there. There's no way to disclose it. So when someone -- I just sold a property to a client and he found out about it after it

closed. I knew nothing about it. He's been leasing there. They have been leasing there for about four or five years. Knew nothing about the sewer. Knew nothing -- when we saw it was a public utility company, didn't think anything about it. After he closed to connect, we found out it was \$65 a month. There's no way to disclose, and if you do, nobody will want to buy up there. Some people are living there for three months and paying it are not rest of the year or if they are living there, they are using it and paying for the whole year and it seems to be pay little outrageous, the comparison, and maybe you could have some influence on the corporation commission to maybe control the price since they don't have to run that plant anymore. Thank you.

[Time: 00:27:28]

Mayor Lane: Thank you, Ms. Wheeler. Next is Les Peterson, the Mayor of Carefree. Down from the north.

Carefree Mayor Les Peterson: Good evening Mayor Lane, Councilmembers, Les Peterson, the Mayor of Carefree, it's always good to come home, though. I grew up in Scottsdale. I graduated from Scottsdale schools. After college I caught at Saguaro high, and it's good to come back. Our roots go deep between the two towns.

This has been a project that is 11, 12 years now in the making. It involves many parties. It really is necessary for the streamlining and the maintaining the lowest possible costs we can for the Black Mountain sewer system which services primarily Carefree but Scottsdale as well. Scottsdale water resources already process 65% of the raw sewage which comes from the Black Mountain system. This is the remaining 15% that enables the closure of the plant that's currently located within the boulders. This is a very important aspect if we don't do this and then this is a five-party agreement which we reached with the utility, with the corporation commission, with the A.C.C., the A.C.C. commission, the RUCO, the residential utilities commission who looks out for residents. We went through every possible alternative. This is the lowest cost alternatives. We checked closing plants and rerouting. This enables the Boulders Resort which is located within Scottsdale, the primary facility of the Boulders Resort is located within Scottsdale to more efficiently service their golf courses by going to conservative. They will put in, in-ground sprinkling system with sensors, et cetera, which enables them to survive with the reduced amount of gray water which they get.

This has the town's fullest support. It is our town council's unanimous recommendation to you, that you approve this, and we proceed a month from now. We go in for the final approval and then the starting of all the implementation elements. So we go in the final approval with the commissioners from the corporation commission. So thank you, and as I say, this is -- we have spent literally 12 years on this project. This is the culmination of that and I highly recommend that you proceed. Thank you.

[Time: 00:30:21]

Mayor Lane: Thank you, Mayor. Next is Bob Cappel.

Bob Cappel: Mayor Lane, Vice Mayor Smith, members of the Council, Bob Cappel, 3360 North 79<sup>th</sup> way Scottsdale, 85266. I'm here tonight as the president of the board of directors of the Winfield Homeowners Association. This new proposed agreement with Black Mountain basically it enables the first 400,000 gallons per day of wastewater to continue to be charged at Scottsdale's current rates. For our residents which are 511 homes, that rate currently is \$2.63 per thousand gallons per month. So our house, which uses about 5,000 gallons of water per month would be paying \$13.15 a month if we were billed by Scottsdale, which treats our wastewater. Currently, we pay \$65.40 a month to Liberty Utilities. Liberty Utilities has been authorized by the corporation commission to raise our rate to \$79 a month, plus a surcharge of \$8 per month, which can go to \$15 per month without further approval by the corporation commission. So we expect that our current sewer bill from Liberty Utilities to be \$87 a month soon, and could easily go at any time to \$94 a month.

Basically, we -- I know Brian has done a lot of negotiation with them. I know he's talked to them about selling the sewer lines that are in Scottsdale to the Scottsdale residents and the city, and we would like -- we tried to get liberty to do that, give us a price so we could figure how to get the city to get more of this money that's going to Liberty Utilities which is a Canadian corporation. At any rate, as I said, we like Scottsdale as a city to get more money for treating all of this wastewater and we think -- we are hopeful that the council might consider rethinking this, maybe to get a little more money out of what the residents up there are paying per month for treatment of our wastewater.

The good news, I guess in this agreement is that on or before January 1<sup>st</sup> of 2018, liberty can acquire 120,000 gallons per day of additional wastewater treatment capacity at a cost of \$10 per gallon per day. Well, 120,000 gallons at \$10 per gallon per day means liberty will pay the city \$1.2 million a day so there may be some things in this agreement that need to be reconsidered.

Any way, we would like to ask the council to reconsider this, especially the 20-year agreement. Liberty has no other place to go, except Scottsdale. We would like to see -- I would like to see even a shorter term. I won't be around 20 years from now to go through this again, but maybe do this in five-year increments. So thank you.

Mayor Lane: Thank you, Mr. Cappel. That completes the public comment on the item. Are there any other comments you have on that?

Acting City Manager Brian Biesemeyer: We do have the Liberty Utility folks here if you would like to hear from them. While the capital costs for that additional capacity is measured in gallons per day, that's a single day. So you buy capacity for the full year in that ability to process that much per day. You don't pay for it on a daily basis. So that's 10 -- so if you -- if Liberty wants to acquire 1 gallon of additional capacity, they would pay \$10 and that would be it. They don't buy them in a single gallon but just as a demonstration. So it's not -- while it's measured in gallons of day capacity, it's a purchase of one time. I want to clarify that. It's not 1.2 million --

Mayor Lane: Thank you.

Acting City Manager Brian Biesemeyer: On a daily basis.

Mayor Lane: Well, it wouldn't have been a bad windfall for us.

Acting City Manager Brian Biesemeyer: It would have been a great deal.

Mayor Lane: I know there are some places we could use it, but in any case, we do have some comments or questions -- some comments or questions from the councilmembers will I will start with Councilman Phillips.

[Time: 00:35:39]

Councilman Phillips: Thank you, mayor. So unfortunately, it seems like this has come at the 11<sup>th</sup> hour and the mayor of Carefree says we have been working on it for 12 years; is that correct?

Acting City Manager Brian Biesemeyer: You would have to ask him how long --

Councilman Phillips: But we know nothing about it?

Acting City Manager Brian Biesemeyer: Mayor --

Councilman Phillips: Obviously I know nothing about it.

Acting City Manager Brian Biesemeyer: Councilman Phillips we have been working on this agreement for a number of years. We had this agreement since 1996, and I know we have been working on it. Mr. Cappel submitted a petition in 2014 in relationship to acquiring the Winfield area and I submitted a response to council about that and so I know it's been brought up to council before and it's just been a long negotiation process to ensure that both sides are in agreement. It's also as -- as the Mayor pointed out, it's a number of parties have been involved and it makes it a complicated negotiation.

Councilman Phillips: You said you talked about it in the past. So as far as, like, the city acquiring Winfield, is that even in the realm of possibility or can you tell us the reasons why that doesn't work?

Acting City Manager Brian Biesemeyer: Well, I mean it's in the realm of possibilities. It's the deal with how much you pay for that. They have a number of assets in the actual ground. So they own all the collections systems, all the mains and manholes, service lines within the Winfield H.O.A. That would have to be paid and you would have to be paid to Liberty Utilities for that. They have not wished to sell that. So then that would have to be a -- some other means. It wouldn't be a direct purchase. We would have to pursue other means for that.

It's also problematic because their service area -- Winfield is not the only H.O.A. in Scottsdale serviced by that. There are folks in the Boulders that are in the city of Scottsdale that are serviced by them. If you take only the Winfield H.O.A. out, you put more price pressure on the remaining residents in Scottsdale.

Councilman Phillips: Okay. So this is maybe similar to EPCOR in that we are working with somebody else and we don't really have much of a say over it.

Acting City Manager Brian Biesemeyer: It's governed by the corporation commission and owned by another party.

Councilman Phillips: I have to remember who I vote for on that corporation commission. Thank you for your time.

Mayor Lane: Thank you, Councilman. Councilwoman Milhaven.

[Time: 00:38:27]

Councilwoman Milhaven: I think you might have answered part of my question. One is we can't assume the service area unless the other utility wants to sell it?

Acting City Manager Brian Biesemeyer: That's correct.

Councilwoman Milhaven: And then what if, if any influence do we have on the corporation council's rates?

Acting City Manager Brian Biesemeyer: Very little if any. We can testify at a rate hearing as a party. We just testified before them that we would either approve or disapprove of their rate change.

Councilwoman Milhaven: And then the one Mr. Cappel talked about the city getting more money from this agreement. It seems if we charge this utility more, they would build that into their rate case and it would increase Mr. Cappel's bill more than it already is; that correct?

Acting City Manager Brian Biesemeyer: If they buy additional capacity, it would impact their rates and they would have to buy capacity for that plant closure. So, yes that could impact their rates because they would buy more capacity.

Councilwoman Milhaven: All right. Thank you. Thank you.

So I will go ahead and make a motion to adopt resolution 10367 authorizing agreement 1996-058-COS-a1 with Liberty Utilities.

Councilmember Korte: Second.

Mayor Lane: Thank you. Motion and seconded by Councilwoman Korte. Would you like to speak toward it? No? Okay. Then there's one other request to speak on the subject at the moment, and it has disappeared.

All right. We do have a motion on the table and it's been seconded. We are then ready to vote. All those in favor please indicate by aye and those opposed with a nay. Aye. It's unanimous, approval of item 9. Thank you very much, Mr. Biesemeyer.

**ITEM 12 – SPECIAL EVENTS ORDINANCE**

[Time: 00:40:31]

Mayor Lane: The next item which is a regular agenda item, item 12, it's two fold it's to adopt ordinance 4242, adding Articles I through of pertaining to events, and amending Chapter 47. And the second is adoption resolution 10381 to declare and document entitled addition of Article I through VI to Chapter 22 of the Scottsdale revised code and amendments to Chapter 47 as has been indicated and b to direct the planning commission to hold a public hearing and make recommendations to the city council on the proposed repeal of the special events provision from the zoning ordinance. So Karen.

Tourism and Events Director Karen Churchard: Good evening, Mayor and Council. Thank you for the opportunity to talk to you tonight about the updated ordinance. We very much appreciate the time that you spent with us at the work study on March 16<sup>th</sup>, and that provided us much direction and suggestions. So I will review the changes that we made to the draft ordinance and that's based on the council's directives and suggestions, and following the work study session and then I will turn it back over you to mayor and council for questions and for the discussion and the action. The key issues and our areas that were directed and suggested included events organized, presented by the city.

And event criteria, criteria for events on city property, event frequency and duration, conflicts with ArtWalk, the revised process and then I would like to review briefly the timeline that we are proposing. First, direction was to clarify exceptions for event organized in whole or part by the city and we clarified this by adding a sentence to the draft ordinance that reads "an event for which the city solely provides funding for sponsorship is not an event organized in whole or part by the city for purposes of this section."

Moving on to event criteria, during the work study session, we reviewed each one of these criteria. The event should be sure that it's conducted on these event criteria and tonight I'm presenting this in a little bit of a different format to illustrate how an event administrator would walk through the application and basically go through the event criteria by asking these questions: Does the event provide a unique organized activity or experience, yes or no? Is the size attendance and the nature suitable for the location and I might add the duration which is in the ordinance. We just couldn't fit it on this line, yes or no? Can event traffic be managed to accommodate expected attendance? Is parking provided to accommodate expected attendance? Are adequate security and emergency medical services provided? Are all temporary structures safe? Are restroom facilities provided to accommodate the expected attendance? Is there a trash management and removal plan? Is this a plan to pick up the site and leave it the way they found it after the event? Is noise managed to minimize the impact on neighboring properties? Is the aggregate impact of the event on others net

neutral or net positive? And can the event be accommodated with the required city services?

So if the event administrator goes through all of these questions and answers yes to all of them, then the event can be approved. And we do have additional criteria, but before I go to, that I wanted to point out that during the work study, it was suggested that we eliminate the economic impact criteria language. We did not eliminate this language, however, we further clarified it, and that's Section 22.4 item 9 which reads "economic and other impacts to other properties, residences and businesses are adequately addressed so that the net aggregate impact of the event on area businesses and residents is not negative. So that's the phrase -- the information that we put in there.

So moving on to criteria for events proposed for city property, we had proposed that this language be in, if there was a two events that were wanting to do an event on city property at the same date, and it was advised by the council that we not do that, but the council did like the actual criteria being utilized and suggested that we put that in the ordinance, so that when we are looking at any event that's asking to be held on city property, we would consider these additional five criteria. So all the criteria prior would relate to both private and public property and then these five would be on city property in addition. So it reads now for an event on city property, in addition to the criteria and subsections a through c of this section, the events administrator should consider -- and it goes through the five, exactly the same as we had in the work study session.

Now we get to the two most contentious items the ordinance that pertained to event limits and as the department director overseeing or working with the Tourism Development Commission, I need to inform you that on March 8<sup>th</sup>, there was a special meeting held to review the special event ordinance as we are reviewing tonight and unanimously the commission -- excuse me. They recommended that the council not adopt the ordinance, based on the duration and the frequency. They feel that should not be in the ordinance if all the criteria have been reviewed and met and the other pertains to the ArtWalk, which I will review next. Their feeling was that one showing special interest to one organization and having the perception of potentially veto power.

So I feel it's important that I let you know that information and now I will go on and review the event limits as currently written in the draft ordinance which is no more than 10 consecutive or 24 total days during the period of January 1, through March 31<sup>st</sup>, and no more than 30 consecutive days or 48 days during the calendar year. Regarding this, we had gotten some direction, according to the marked agenda on February 16<sup>th</sup> and I will read that, which says we should restrict -- wait. I'm off. Sorry. Where am I?

Staff was directed to add language to address the duration and the frequency of events, exemptions and provisions and seasonal fee structures that would encourage events through the year. Again, that statement was taken from the marked agenda. And so going with the encouraging events throughout the year, and keeping in mind that this applies to all events in the city of Scottsdale, held on both public and private property and that the event would already have met all the criteria in Section 22.4, including that the size, attendance and nature of the event are suitable for the proposed location and duration, and that of the event does not have a negative impact on area businesses and residents, we revised the duration and the frequency to this 10 consecutive or 24 days during the

period of January 1 and March 31<sup>st</sup> and no more than 30 consecutive days or 48 total days during the calendar. We are showing you what the current ordinance reads as well as what we proposed at the actual work study session.

So in terms of the event limits to address conflicts with the ArtWalk, there was a couple of directives. One was that we remove the sentence under event criteria. The event not unduly conflict or negatively impact another event. And removing that sentence, we were directed to add language prohibiting the event administrator from approving art-related events on Thursday nights when an ArtWalk takes place. It was further suggested that the language include the area bordered by Osborn and Camelback Roads and Goldwater in Scottsdale Road.

Two points I wanted to make on that. If council wants to keep this language, the area needs to be defined. That's why we used the only language that was suggested during the work study session. Second the language states if it conflicts with the ArtWalk scheduled open Thursday night. And we would say, how the administrator determine if it conflicts or not and our recommendation is that we would go to the Scottsdale Gallery Association and ask them if there was an event that applied, if they felt that conflicted or was complimentary and based on their advice, we would then either deny or accept that event.

The one last suggestion by council that I would like to review was to keep this process simple and uncomplicated. One example of how we simplified the ordinance pertains to the application process. So events held on private property would either go through an administrative approval, very short process, no fees or simple application. Any event held on public and in particular city property would go through the standard application process. Right now, there's only one process and it's a fairly lengthy one. Our goal throughout this process was to keep the ordinance simple and although that certainly has not been easy for the most part we believe that we have accomplished this. And I would also like to mention that through the process of keeping it simple, staff updated seven different items and that was laid out for you in the city council report you received earlier.

So quickly, the proposed timeline pending direction tonight, we look to March through June to create an online application and payment and fee ability produce an event user guide and update what our website, as well as all of our processes. And then in May, the council will be looking at fees and rates for all the city and that will include for use of property for events on city property. And in July, assuming direction tonight, ordinance would go in effect and then December we ask that we can come back to you and provide an update of how things are going with the process of the new ordinance.

So with that, staff asks that the mayor and the council adopt ordinance number 4242 and resolution number 10381.

Mayor Lane: Thank you, Karen. Thank you for the presentation. We do have -- we have some requests to speak on the topic. So we will go to those. And we'll start with Scott Eubanks who an additional card. Scott, if you would like four minutes on it.

[Time: 00:51:58]

Scott Eubanks: Four minutes?

Mayor Lane: Yes.

Scott Eubanks: I would like to start stating one thing, I think everyone can agree on, we are all sick of dealing with this special permits issue. I'm sure you are tired of it being on your agenda and I would like to see it moved beyond that, beyond whatever we can put into place, so we can get back to our businesses and lives. However, I want to tell you the special events ordinance has turned out much larger than that. In many cases to many people, it appears as though it's just the tip of an iceberg of bigger issues that face Scottsdale and its relationship with its businesses, its business communities and its tourism industry. I don't know what's below the surface.

I have wondered, is there a vision for downtown Scottsdale that calls for all new businesses and shiny new restaurants and buildings and tear down what we've got and start over and build a gleaming city of glass and steel and things filled with shops and restaurants and bars and whatever cities decide they want? If there is such a vision, somebody share it with us. We can back off because there seems to be an unwritten commitment to something I don't quite understand. And it could be my ignorance, I will admit to that. I don't know if there is another vision, if the city plan is so far different than what the 200 businesses that have made their wishes known to you that they are in conflict. If there is a master plan that calls for a new city, again, let's go back to ground one and share it with us and make some converts.

I would like to say, do you know what virtually every city, suburb and town in the United States would like to have? They would like to have Scottsdale's position as a Mecca for art. Art. Every city in America has bars and night life and nice restaurants and hotels and motels. They don't have our nice big fancy ones, our resort. I do grant you that and I'm proud of them. They all have a museum or two. They all have performing arts center. They all have live plays. They all have many of the things that we have seen hung up on. They don't have 60 to 100 art galleries. You don't become an art city with three galleries and two museums. I don't care if you spend \$100 million promoting it as an art city without the facts and the galleries behind it, you fall flat on your face, my opinion. Well, we have a wonderful reputation and all of you probably had something to do with building us as an art center and we did and the convention visitors bureau did. Man, don't throw it away. If we are in conflict, let's get out of conflict because we all want the same thing or else somebody is flat wrong. And if they are wrong, they need to be pointed out for being wrong.

You know, I heard in the reports and testimonies to the travel -- the TDC, if their work session -- other cities don't have special events ordinance and I'm here to tell you, that's a bunk! There's not a city in America that hangs out and bring whatever you want to sign. They have call 'em different things. They are not called special events. They are called permits. Use permits. They are called zoning restrictions. They are called a whole host of things, but every city in America controls the quality of its events. Nobody can just open the doors and say, come on! The more the merrier. That's ridiculous.

You know, I have heard a lot of things. I have heard that public -- I heard public board members in Scottsdale say some pretty nasty things about a large group of the business community. You shouldn't tolerate that, people. And if they deny it to you, then they have simply forgotten that everything they say at public board meetings and every staff memo they write and everything they put on Facebook is a record and if you -- if they deny it, we will go back and pull the record. That's not what public agencies do. The burden of statesmanship falls on people in public service. I just hope we can get it together.

It breaks my heart to think that 61 art galleries have closed in this recession in Scottsdale. You know, where is the help we need? Aren't we part of the image you want? Aren't we unique and worth the extra effort? It seems to me like common sense says yes. I don't know. I have heard board members say, well, we don't want government in business. The same board members get grants from the city to run our art businesses. The same people that said they get tax credits for their investments, don't let them sit up there and tell you that they don't want government in their business.

Well, in summary, I guess I'm tired and I think a lot of the other merchants are too of being disparaged, treated like we don't matter. Bad things said about us about people on public boards. Where is this coming from? You know? We ought to be spending money. How much does a convention visitors bureau spend out of this humongous bed tax thing promoting the arts section of town? I had a little bitty art show Thursday night. Guess what, 16 people came from out of town and I put them in hotel rooms. That's not a lot, but that's not all people from two blocks away coming. Anyway, just a plea. Saner heads have to prevail, and leadership is awfully tough when an issue divides us so harshly, but better research may be needed if you think other cities don't qualify for the events that come to town. We should only bring quality ones that feed the image we want and I hope we can work together and I'm most appreciative of your time and attention. Thank you.

Mayor Lane: Thank you, Mr. Eubanks. Thank you. I'm sorry. Please, we do refrain from booing or clapping. Thank you for your sentiments next is Shira Shnier. You have an additional card from Beverly Moore. Since I gave some additional time, I will certainly go to five minutes?

[Time: 00:59:05]

Shira Shnier: My name is Shira Shnier. I operate a small baby and children's clothing and all kinds of baby stuff on 5<sup>th</sup> Avenue at the junction of Craftsman Court. And I have been involved in this issue and I would echo the thoughts that we are getting a little tired of it, but the problem is that it's going to keep happening and we have to figure out how to make it work.

Now, my question would really be, why are any of these events necessary? If you look at this slide, and I will say this slide comes from the city of Scottsdale statistics that obviously the city paid for, compiled and printed, you will notice that visiting downtown Scottsdale which amounts to old town and downtown is pretty well one of the most popular things that anybody does. They don't book their tickets to Scottsdale because, oh, there's going to be a flea market or a tent city or something happening on that particular weekend. Dining and shopping stands to reason, you are visiting. You

don't have your own kitchen. You will have to dine out. I would hazard a guess that dining and shopping, much of that also happens on the third bar in old town in downtown Scottsdale. People are coming to us. We don't have to bring them to downtown Scottsdale. When they come here as tourists and long-term snowbirds they come to us.

So with that in mind, while all of these events sound lovely, in this current situation, between parking and traffic congestion, it creates an unsafe environment for pedestrians. The sidewalks are not wide enough and there's cars pulling out all the time. It's unsafe to put this many people in this area. So as I look at this, I realize that, okay, people are coming to downtown Scottsdale. They are coming for us and I would include the galleries as merchants. They are coming to us, and they are walking the streets and they are having a wonderful time. Not all that wonderful if you can't move because of the congestion of parking and moving traffic. And it's always people waiting until somebody might pull out and might not and you just wait and nobody moves. The area isn't big enough to handle this and it really doesn't contribute to the area.

Pop-up and temporary retail can never contribute to a city's economy the way permanent year-round brick and mortar. So I believe I have to just click this to get to the next slide? Where did my friend Brian go? Just click? Okay.

There is no question that money spent in local brick and mortar stays in the city or in the state, and if we are looking at this graph, in is put together by an organization that is across the nation called local first. It is significant. So we are seeing that temporary pop-up cannot support an economy such as downtown Scottsdale, a unique area the way that our brick and mortar year round temporary pop-up can, in fact, destroy us. My question would be: If every second merchant and gallery in this area closed up, would those same tourists indicated in your own studies that are spending time just nobody told them there is something special there. They woke up in the morning in their hotel room and said let's go to old town downtown Scottsdale. If there wasn't anything there, they would not be coming and I don't believe anybody wants tent retail as their unique sort of city draw. When you are looking at how local money stays here, we should be working harder at supporting all of us in the downtown area, including the art merchants. Let the money stay here. We are looking at something that has happened in addition, this new variable that's been added to the mix in the last few years, that nobody is addressing.

We have heard people that are pro event say, you guys just have to keep your businesses relevant. What they are not taking into account is we are coping with the Amazon effect. Now Macy's, Target, all of these stores are having problem with online and I would hazard a guess that the art dealers are also. Somebody walks around and sees the pretty pictures and the type of sculpture. They go home and they find it somewhere generally Mr. Amazon, basically our arch enemy at this point.

I can't believe that anybody who choose a thriving, walkable downtown. Now if you really want the area to look quaint and approachable and the interesting thing is that millennials use the word "authentic, walkable and approachable" over and over again. Even the millennials are looking for this.

So here it is, if we want to set up tents on the bridge, I think maybe help us -- help us to set up events that are non-retail, short in nature, and first and foremost, make sure the area can accommodate it. Do parking studies find us parking garages and do something with the traffic. Even something that doesn't threaten our businesses from retail, you close the street for a great big go-kart race. It was a disaster! An absolute disaster! Go somewhere else! If these events are such a draw, in and of themselves, find another place that doesn't threaten existing businesses that are struggling so hard to deal with the online presence and let it draw people there. That will be great, but at least it won't threaten us.

Now, millennials now that I have brought it up, don't really seem to register in your own study. Look at the average age of people visiting short-term and long-term and you can go through this entire -- I didn't give you all the slides about you it's a fairly lengthy study. So while we are all talking millennials who seem to like the bars and the clubs and whatnot, in truth, the people coming and contributing to our bed tax economy and to our economy generally, are over 58 years old. They don't really want the pubs and the bars and the whatever. And they would like to be able to walk unencumbered, not being able to find parking and not being able to negotiate as a pedestrian or as just a car driving through that narrow area, is going to turn them off. This err going -- they are going to leave.

Mayor Lane: Shira, if could you wrap it up, I would appreciate it.

Shira Shnier: Much like public buildings have a capacity, and you can't go over the capacity, it's unsafe, this area is unsafe when you get this type of just intense -- there's the vendors come and the people that are coming and the cars and there's just no room for everybody and it proves unsafe. If these events are a draw, please let them draw elsewhere, envelope it can be proven as beneficial.

If I might add also there has been the talk of the art galleries to ask veto. They are not saying they want veto every event, but it would make sense in this struggling time that 60% of the neighborhood agrees with the event taking place in their backyard. That's not veto. It's saying, please, stop killing us. All right. Thank you.

[Time: 01:06:21]

Mayor Lane: Thank you, Shira. Next is Bob Pejman, who has an additional card from Shirley Cardasco. We are trying to keep it at five minutes, if you would.

Bob Pejman: I'm Bob Pejman, I own Pejman Gallery in downtown Scottsdale on Main Street. I want to hit on two separate themes. One is events and hotels, and the other theme is the city that competes with its own merchants.

On the first one, I was at a recent TDC meeting and the comment was made, no other city has restrictions on events, why should we? I found that comment rather non-true. So I said let's go and check it out. First city I checked was Naples, Florida. That's a city I have heard mentioned by tourism and events department as some city that in some ways correlates with Scottsdale. It's not as

big, but it's tourism. It's seasonal, whatever. And I asked the events person there, what is your maximum number of events? And the answer was three. Three days. What if I have an event, and I want to repeat it over and over again. They said, you know, what have you to go to city council. I was like, wow, they actually know how this works and unfortunately we don't. And when I hear that the 24 days just ain't enough for some people on the council, and some other people here, I really wonder what the agenda is.

So what is the agenda? Let's examine it. You have TDC and TATF. And TDC is made up of a lot of hotel people. TATF is motel people. Some event producers. And so all of the advice is self-serving. And frankly, there's a major conflict of interest now, it's not illegal, but it's a conflict of interest. They want events to basically help themselves and there's something just wrong with that.

I want to make another comment. When you look at large events like Barrett Jackson, Phoenix open, Arabian horse show, those are real events. Those events bring hundreds of thousands of people into Scottsdale. Fantastic! Great for the economy. Those people fly in specifically for the events, and the heads are put on beds! Everybody is happy. But when you have an event like the beer festival on the bridge, are you telling me that somebody gets on a plane to come to Scottsdale to go to that event? Come on! I mean, it becomes ridiculous at some point. So the large events are great, and have more large national, international events that draw people in, no problem. But the little events they move people around, and where they move them to? They move them from the merchants to the events. So they have a negative impact on the merchants as a net result. Frankly that is not right. I hope TDC and TATF use the merchant base. It's basically completely absent right now.

The second point, the city that competes with its own merchants. Now I have heard certain councilmembers make comments like hey, if we make the event ordinance too complicated we don't attract events. We turn them off. They won't show up. I'm going to propose a different concept to you. How about the way you are treating this will turn off the merchants. So I don't want to be here and quality merchants don't want to be here. Frankly, I'm tired and I regret moving to Scottsdale. I was going to move to Naples, Florida and I chose Scottsdale and every day I regret it. Back then, if I knew what I would be up against right now to compete with all of these pop-up venues, I wouldn't have done it. And in the future, you will have quality merchants that will shun this city. Why would you open here when you know you are up against infinity, as far as events? So you are going to turn off some quality merchants.

And in conclusion, I would say many cities are very successful, they use their merchant base, their downtown merchants and the tourist draw. You don't have to bring all of these events just to sprinkle them all over the place to be successful, unless it serves some of the special interest. I believe it does, thank you.

[Time: 01:11:22]

Mayor Lane: Thank you, Mr. Pejman. Sonnie Kirtley.

Sonnie Kirtley: Good evening Mayor Lane, Vice Mayor Smith and Councilmembers. My name is

Sonnie Kirtley, I'm the chairman of C.O.G.S., we have attended every single public event, related to the special events ordinance. We have had individual conferences with most of you. We have had special invitation to staff meetings with art district. So we have been very involved and followed this all along the way and we have considerable input along the way. We were able to express our opinions.

You received from us in the original packet very detailed by section, by decimal point number, our recommendations for this ordinance update and I hope that you have considered those carefully. Bottom line, the most important glaring thing that we have seen throughout this entire journey has been the frequency of events. Please do not just focus on the art galleries and their needs. This related some time ago related to the bar district on Craftsman Court.

Frequency, how can it be a special event if it occurs 48 times in a year? We have talked about 24 times and spreading it out maybe by quarters. That becomes a little more special. I can have an event in my business and say, oh, we're going to give to charity down the road so this is a special event. We will use the alley, a public alley. Oh, okay. Special event. So frequency is important. And then the next thing that you see in update, what's the impact on the high tourism season on the brick and mortar merchants? That's their high time. It's just like Christmas, maybe 60 to 70% of their sales are during those holidays. Would you impact that with a whole bunch of events that suck potential buyers away from the area? So frequency is the first big thing we noted.

Public notice is the second. The impact on area businesses must be known ahead of time and they must be properly noticed. I would think it's requirements that if a particular event was to occur, that that vendors' website would identify it, when is it going to be? What are the hours? What is the impact and that link is set to everybody in that area. City of Scottsdale by virtue of business permit should have an email address to all the businesses in the area. So get those notices out before the permit is approved. Before it's reviewed. That's only fair.

Public property. That's my property. That's your property. That's your property. Use extreme care in this. We have been literally giving it away and even giving free electricity. Charge the market rate and keep that updated we do not give away our public property. Look at our budget. We could use the income.

Limit the downtown trolley route conflicts. That Marshall bridge and our trolley routes are a big tourist draw. You know I spent eight years with a downtown ambassadors, the scheduling, the training and all of that, the feedback we get from the tourists is what fun to take that bridge route with that trolley. It's an oh, and ah. Don't close that off. If we move into a waterfronts special events ordinance, keep in mind that bridge is for pedestrian experience.

Permit approval, who does it benefit? If the committee gets in 11 people that say, wow, this is great, and ten people say, holy cow, that really affects my business, what criteria are they going to use to make a decision?

The last item terrific idea by staff, an events handbook. The question is: Is that handbook a

guideline? Is it enforceable? Are the criteria enforceable? If I come in for a permit, does all the criteria to be checked off for a permit? Which ones should be forgiven? We hope you spend time thinking about them. Thank you.

[Time: 01:16:37]

Mayor Lane: Thank you, Sonny. Next is Jim Bourdamis.

Jim Bourdamis: Good evening and thank you for the opportunity to speak tonight. I'm the owner -- one the owners of Classy Jazzy on 5<sup>th</sup> Avenue. I'm also the president of 5<sup>th</sup> Avenue Merchants Association and classy, our first store, Classy Jazzy was on 5<sup>th</sup> Avenue for some period of time, about three years we also had a store on Brown. So we're nine years into it. Very familiar with the market.

And I have to tell you, it's very frustrating. Some of our best years were during the recession. That seems pretty ironical to me, and I think the reason for that is the main draw of the tents and events, as we call it, on the bridge. We -- it changed the traffic patterns, the promotions started going over there. There was so much confusion even with people coming to town, they are saying where is the ArtWalk? And the ArtWalk would -- because they are called the bridge, art bridge, now people were getting confused. Where is the action here? Tents drew a lot of our typical clientele during the primetime season.

So as I look at this, I think it's a situation of priority. In terms of the city, I happened to scope the website and it's published there what the city's priorities are for 2015 and '16. In bold print, it clearly states that -- well, let me see if I can quote it here. It provides strategic support of tourism and visitor events, bold print. Nowhere in these list of priorities do you see anything about improving Fifth Avenue, the art galleries. You don't even see art mentioned in that. I think that's sad. I think that's really sad.

In dealing with the 5<sup>th</sup> Avenue Merchants, we made numerous requests to try to get some improvements, some basic maintenance going on in our area. I assume you visited 5<sup>th</sup> Avenue. You look at the lights, the marquees have not been touched. The banners are -- I had several of them missing. We have asked for planters just that we used to have. These are things we used to, have just planters, flowers to make the area appealing, and the answers we get are typically well, you know, that's part of a big plan for downtown and we will hire consultants so that we get it right. And we are trying to run businesses over there. We are asked -- there's no appeal on 5<sup>th</sup> Avenue. Well, how do we have an appeal if you don't -- if we don't maintain our market.

We had a meeting this morning and it was rather sad because I don't know what to tell the folks. Now, we also discussed the possibility of having an event downstairs for ourselves. We are planning the fall for the 60<sup>th</sup> anniversary. Then we heard, there may be money for events. I find that pretty ironical. We can't get basic maintenance visuals that are attractive, but maybe there's some money for events. I think that reinforces the fact that the priorities go towards the tents and the events.

Mayor Lane: If you could wrap it up. Your time is out.

Jim Bourdamis: You bet. Again, just to reiterate, though, the 24-day clause in here puts us right back to where we started. If you are talking about 24 days and you go from January 15<sup>th</sup> through April 15<sup>th</sup>, that's two days a week. So you can -- somebody can park up on that bridge, you know, Saturday, Sunday, for 12 weeks and I think that's unacceptable. I would encourage the council to look seriously at taking up the revisions that the three associations of old town and art gallery and 5<sup>th</sup> Avenue recommended. Thank you.

[Time: 01:22:02]

Mayor Lane: Thank you. Next is former councilman Bob Littlefield.

Bob Littlefield: Well, you have a rare opportunity tonight to fix a long festering and big problem, and you ought to take it. I remember when I was first elected in 2002, the whole time I was on the council, special events were a pain for the neighbors. They are a pain for the brick and mortar businesses and they were a pain for the galleries and it's sad that things had to get to a crisis proportion before something was done. But, you know what, if that's what it takes, that's what it takes. You should grab this opportunity to fix the special events ordinance and fix these problems and I certainly hope tonight you will make the modifications necessary to what the staff propose so that you actually accomplish that goal.

It's interesting to me, I remember some of the criticism of the update to the special events ordinance, oh, it's just a bunch of whining gallery owners who are stuck with a Neanderthal business model, it's the 5<sup>th</sup> Avenue merchants who are supporting it, the old town merchants and the Coalition of Greater Scottsdale, those folks certainly don't have any personal dog in this fight. So this is your opportunity to do something good. The modifications that have been proposed by C.O.G.S. and proposed by the gallery association, I support all of them. You will notice they are pretty much the same and this' a reason for that, because they need to be done.

And one other thing occurred to me, here, listening tonight, especially to one of the earlier speakers who came up and said, well, what's plan for downtown? I can't figure it out. The answer to that is don't listen to what people say. Look at what they do because then you will know where they are really coming from. So tonight, your actions will communicate to everybody, all the people who are here and all the people watching on television and all the people who are going to read about this, you are going to communicate to everybody what your vision for downtown really is. You are either going to go with the gallery owners, the merchant and the residents, or you are not. So people will know regardless of what you say, they will look at what you do and then they will know what your real plan for downtown is. Thank you.

[Time: 01:24:45]

Mayor Lane: Thank you, Mr. Littlefield. Next is Sean Gillespie.

Sean Gillespie: Thank you, Mayor and distinguished council and staff. I'm here on behalf of some of the producers. We produce lots of events such as Scottsdale Italian festival, Grand Prix, Crush Brew and a myriad of other events that bring in hundreds -- literally hundreds of thousands of people into the downtown area. They do produce dollars. These people spend money in restaurants, galleries. That bar graph is a lot of people coming in. I don't disagree with the galleries. I think it's a jewel of the entire valley that we have the art district, however, at the same time, we spent millions of dollars on a bridge and if it's purely just for pedestrian access, it wasn't a very wise investment.

What we need to do is look at both of these things coexisting. For example, I keep hearing, well, we are not getting any help. Well, the Scottsdale Culinary Festival donates hundreds of thousands of dollars to the Civic Center every year. In addition, it also donates several million dollars to arts programs valleywide, including most of it right here in Scottsdale. So these are things. These are events that actually happen that bring dollars into the Scottsdale area.

So what I would like to see -- let me go back to one thing. I heard one thing in the new ordinance and that is I heard it mentioned well, if there are two events happening on a Thursday, we will go back to the galleries and not to use the term veto power but that is veto power. So if the galleries get to decide what's going on, then we might as well just deal with the galleries and avoid you and avoid staff.

So I'm not in favor of events that are there for more than a few days. I'm talking about events such as the culinary festival that come and go, but what you are talking about and what limits we are talking about do affect the wider area, not just the bridge, not just the gallery district. We are talking about an events ordinance that is citywide.

One of the other things that we have to look at, I know they are like -- I'm hearing send these events away. But these are dollars that are going to leave Scottsdale. And these dollars need to stay in Scottsdale. We do have cities that compete. We have the Indian reservation that would love to get these events over at talking stick and Salt River fields. City of Tempe competes for them and city of Phoenix would like these events. Trust me, they try to woo these events away.

So that's one thing -- another thing I want you to consider and then just on a whole different topic are the fees. I agree that there do need to be fees charged but we are not comparing apples to apples. We are looking at using the downtown area of the bridge and the Soleri area. It's not like I'm running a soccer field out at WestWorld. I have to accommodate people walking through my event, which means I have to bring extra security, extra fencing and it's good because it keeps people moving back and forth. They can go to the galleries but it's not just apples to apples. Also you are getting double charged. Don't forget that that area actually belongs to SRP. So SRP does charge fees to use that area. That's something considered. That's a double charge whenever you are looking at using those areas.

And to sum it up, I just want to say that I don't think events are the bane of downtown. I think if they are done correctly, they could work very well. It could help to promote people coming into the gallery area, promote restaurant, promote retail. It can do all of those things if everyone works

together but if you simply chase it out, it's not going to benefit anybody. It will just benefit another city. Thank you.

[Time: 01:28:52]

Mayor Lane: Thank you, Mr. Gillespie. Last would be French Thompson.

French Thompson: Good evening Mayor Lane, Vice Mayor Smith, city councilmembers. I like going last. This is pretty cool. I was on radio several times. People called me up and say, what was that all about? What is the -- what are the tourism board, why are they trying to take advantage of the downtown?

I want to say something about the gentleman that was just here. Kind of interesting because he brought up fees. He just said that they donate millions of dollars to whatever it is and I'm thinking, well, if they are donating millions of dollars then they could probably afford better, higher fees. Wouldn't that make sense?

I mean, if you are donating millions of dollars that means have you got extra millions of dollars that you choose what you do with it, if the fees are there and they are fair fees, and they are the even fee, what everybody should be paying, bricks and mortar and everything else, they are still going to have a lot of money to be able to donate.

The other thing that's happening is words are really important, and when I finally realize that they are taking the word "special" out of this, that means the city can have any event. It doesn't have to be special anymore. It means it could be a dog and pony show, but you are taking the words "special" out. Scottsdale needs special. We need special events. We need really cool events that bring people here, that don't conflict with the other businesses.

I have a business down the street from the culinary arts festival and the Scottsdale center for the arts on Main Street. I tell you what, those weekends, I might as well just close my store and not even be there because all people do is park there, they go to those events at the end of the day, they leave. I like those events. I go to them on my day off. They are special events but they still have a major impact on those businesses around them. That money is tax money. It's going to the city. I appreciate that.

I say those are special events. Those are good events, three days, two days, that's not a bad deal, but you start having these tourism boards and stuff like that are saying we don't want any restrictions on these events. We want to have them all the time. Their job is to try to do something that has nothing to do with bricks and mortar businesses. They are trying to make all of this excitement with the low hanging fruit. We can bring anything we want, and we can promote it through the hotels. We can put it through the website. We had somebody come to us the other day that went to the Phoenician. Phoenician said, quote/unquote, we don't send people to downtown anymore. The Phoenician concierge are saying they don't send people to downtown anymore. You guys, the city council, that should be the worst thing you could ever hear! Because the downtown is what built this

city.

And so the other thing that happens when you guys say that the galleries are going to have this veto, you are making it sound like it's for everything, a veto, all over everything in the whole city. We would like to be consulted with the merchants in the downtown area about events that would happen on Thursday nights that would be strictly arts related, and that's wording that this city council put in. You get these tourism people who are saying, take that out. Take out the time limits.

So you really do have a hard job and I appreciate all the work that everybody has put into this stuff. I have been here 19 years putting in hard work. I was late getting here because I was trying to create tax revenue and also income for myself. Your job is to try to make this city the best it can, and I think you can do it with special events, not events. I think you can do it with time limits, not no time limits. It is a very tough thing and I know you will want to do the best job you can and I thank you for putting the time and effort into it.

Mayor Lane: Thank you, Mr. Thompson. That completes the public testimony on this item. So we have heard a great deal about it. What we have in front of us is item 12, and this is the special events ordinance. We have heard the testimony. We heard the staff's representation of what is in the revised ordinance that is being sought to be considered here by us tonight. And so we do have some questions or comments from some of the councilmembers and we'll start with Vice Mayor Smith.

[Time: 01:33:54]

Vice Mayor Smith: Thank you, Mayor. First of all, I appreciate everybody who took the time to be here, to comment, and staff for the work you have done on this special events ordinance. I think everybody is concerned and the objective is all the same to try to come up with a good solution that makes our city even better. It's worth remembering, I think, why we are even here, why we are talking about this and fundamentally, it is because we do recognize that arts and culture is one of the foundations of our community. I think one of the speakers reminded us of that, but we shouldn't need to be reminded of that. The citizens remind us of that every time we give them a chance to speak on this subject. And so everything that we do should be trying to enhance that unique image that we have for the city and its presence in arts and culture.

And we also have an obligation to increase tourism, to try to figure out in every way possible how can we make it the most interesting and attractive place to visit, and particularly the downtown area which is in and of itself a visitor attraction. And by the way, if it -- if it dies, it not only will lose visitors but it will also be a very uninteresting place to hold events. Events are held downtown because it is a place that visitors come. It is a tourist attraction. And so in every way that we try to promote tourism, we should try to enhance the -- the livelihood and the excitement and the prosperity of downtown.

We are also here because we confronted, I think one of the speakers said situations where in bar areas we were having events that really defied the imagination of being a special event. They happened every week and they happened in a way that seemed neither special, nor event-like to some people. And then we got into the situation we realized we were dealing with an ordinance that was 23 years

old and it hadn't -- we hadn't ever addressed the question of what's the proper fee to charge for public land used and were we inadvertently subsidizing one business to the detriment of other businesses?

So lots of things brought us here and I hope what we come away with is a solution that protects our image as an arts and culture community, and also makes us an attractive place for events, special events in the future. I don't think any of us are trying to put up impediments to the creation of special events. We are trying to make the process streamlined, transparent and in the best interest of everyone and that's why the language of net benefit or net aggregate benefit exists in the language.

[Time: 01:37:18]

Vice Mayor Smith: With that preamble, I do have some questions. I don't know whether they are for staff or who is going to want to answer them, but one of the things that brought us here was a concern about events that are primarily retail dominated and I say primarily because almost every event is going to have a retail component to it, and maybe they are selling hot dogs, T-shirts, whatever, but those events which are predominantly retail events, we were told, would somehow fall out or not make it through what was described as the sieve last time and can someone tell me how, if they don't fall out, how do we control them, if they do fall out, how do they do that? And I will let just about anybody answer that.

Tourism and Events Director Karen Churchard: Mayor and Vice Mayor Smith, that goes through the etch criteria, going it step by step, and we are looking for events that are unique, they have -- we're looking at things that raise awareness for culture, education, entertainment, c creation. We will go through all the different steps of the criteria, and there was one other point. But that's really where it comes into, is that the actual criteria flushes those items out. We don't specifically look at retail but we look at the nature of the event. So if it was retail-oriented only, that would not be very unique. And it wouldn't necessarily raise awareness of the culture, education, entertainment, or recreation. That would be how we would process that.

Vice Mayor Smith: Okay. Then while you are on that criteria page, let me ask you something that one of the speakers addressed. There are, on the slide, I don't know, eight, ten, 12 different event criteria with yes/no to each one. Does an event have to pass every item? Is there anything such as a majority passing where you can hit six of the 12, but not the other six or where is this -- must it be everything?

Tourism and Events Director Karen Churchard: Mayor, Vice Mayor Smith, we would go through the process and if there were items that were not a part of the -- these would all be answered in the application. If there were items that were missing or we fell were not addressing what we were asking, we would go back to the event from applicant and give them the opportunity to update that information. The intent is that pretty much the ten items that are in the event ordinance would be required of that applicant before we would approve the event.

Vice Mayor Smith: So stating it more simply, eventually before the applicant is approved, every item has to be yes? Is that --

Tourism and Events Director Karen Churchard: Yes.

[Time: 01:40:26]

Vice Mayor Smith: The intent? What -- unrelated question, but what will be the notification to neighbors? I didn't see that specified in here. I think one of the speakers addressed that, but will we have a website, an email? How will the neighbors know that something is being planned that might impact them, positively or negatively, so that they can weigh in?

Tourism and Events Director Karen Churchard: Mayor and Vice Mayor, we will do that through, first, the application process because we do -- while it's stated a specific way, we do require them to demonstrate that it is not going to have impacts to other properties, residents and businesses, that they are adequately addressed. So we realize that events do cause impacts. We talked a lot about that at the work study session.

But how are they adequately addressed and that would be a process where we would ask them to get signatures and notification to the -- to the businesses, the residences up front before they actually turn in the application. We also have a process we already currently use, which is sometimes our event administrator will send out an email to a lot of different businesses and groups in the area of where the event is going to be held, and ask if there's any concerns in that regard. It's our intent to add to our notification. We are working on that process right now, and we are up to, I believe, 600, 700 email addresses so that we can start the notification process through the city, as well as through the application process. So that's how we are looking at that.

Vice Mayor Smith: Well, I would encourage you to flesh this feature out in a very robust way and I would not depend on the applicant to respond to this. I think we have seen for several years what happens when you do that. They -- it's like writing -- like submitting references when you are looking for a job. You find three friends to recommend you. I think an applicant is obviously going to find a few businesses that think it's a great thing, and other businesses may not know of it. So I want to see in whatever form this finally takes a more robust way of making people aware that something is planned and giving them an opportunity to respond, whether that's a website, a notification and response or whatever it is.

I want to look for a moment to Section 22-1, parenthesis a in the proposed ordinance, and that's where it says that certain things will be exempt from the ordinance and in particular, I guess it's the ones that are -- I said, a, but it's Section d, 22-1 Section d and it's saying certain areas, locations will be exempt from Articles 3 through 6, and 3 through 6, I think are the ones that deal with the filling out an application and getting a permit and so on and so forth. Now, my point is this, you are not exempting those other locations from Section 2 of the ordinance and Section 2 is the part that deals with criteria -- deals with criteria. So they will have to demonstrate that they are unique and they are an activity, an experience and the size is under control and the traffic is manageable and so on and so forth; is that true?

Tourism and Events Director Karen Churchard: That's correct.

Vice Mayor Smith: How do you propose to enforce that if you don't have them fill out a permit, you don't have them fill out an application, you don't have any enforcement mechanisms. How do you intend to make them comply with all the things that you have for the criteria in Section 2?

Tourism and Events Director Karen Churchard: Mayor and Vice mayor Smith, that -- those facilities are listed because they have separate ordinances and regulations and applications that they utilize so the intent is that we are asking those and I know assistant city manager Brent Stockwell is in contact with all the directors that oversee those properties, that they would use those criteria when they are looking at events on those city properties, but the actual enforcement and the regulation is through a separate ordinance.

Vice Mayor Smith: So you will intend that these criteria apply to these other locations and leave the application process and the enforcement up to them, I guess that's what you are saying; is that right?

Assistant City Manager Brent Stockwell: Mayor Lane, Vice Mayor Smith, members of the council, yes, that's correct. The city manager is responsible for enforcing this ordinance, also responsible for enforcing ordinances and parks that preserve the stadium and the plaza. So if council gives us guidance on what you want and events on those locations, then that carries throughout those areas.

[Time: 01:45:44]

Vice Mayor Smith: Then sticking with the criteria for amendment, you have some definitions in the ordinance. One word that you use in the criteria is it must provide a unique experience. Do you propose to have a definition for unique in the ordinance or is this left to a readers' imagination or how would we interpret unique?

Tourism and Events Director Karen Churchard: Mayor and Vice Mayor, that -- we were actually looking at the English dictionary in terms of using that "unique" meaning that it's special. I don't remember all the other parts when we looked it up, but it does refer exactly to the word unique as defined by a dictionary.

Vice Mayor Smith: Do you have that definition with you?

Tourism and Events Director Karen Churchard: I don't.

Vice Mayor Smith: Does anybody in the room?

Assistant City Manager Brent Stockwell: Mayor, Vice Mayor, special, one of a kind or unlike anything else.

Vice Mayor Smith: Special, one of a kind or like anything else. I guess I would encourage that either in the ordinance or certainly in the handbook we have clarification and if it means giving somebody the

Webster definition, that's fine, but I would not leave this to the imagination of an applicant. We had difficulty, as you are well aware in the old ordinance with the term "welfare," which was pretty ambiguously defined in its application.

[Time: 01:47:30]

Vice Mayor Smith: I guess the question was raised by one of the speakers and I will raise it again officially and when you say the necessity aggregate impact and I think do you that in 22-4a-9 I guess it is, you say that the economic and other impacts to other properties, residences and businesses are adequately addressed so that the net aggregate impact is not negative. How do you -- how will you implement this, though? One of the speakers said, what if ten people like it and 11 people don't or vice versa? Is it dollar weighted? Is it business weighted?

Tourism and Events Director Karen Churchard: Vice Mayor -- Mayor and Vice Mayor, right now that would go through the application process. First of all, we would make sure that the user guide defines exactly what to do in terms of notification and we would require them in the application to get signatures. We have not yet determined exactly how many and -- but the intent would be that we want to make sure that we are getting the advice from businesses, residences and businesses need to be a combination of service businesses, general businesses, merchants, bars, restaurants, galleries and so on so that we get a diversified look at how those businesses and that impacted area feel about having that type of an event.

Vice Mayor Smith: And you said if I understood you correctly, you will have the applicant do this. Maybe I'm getting back to a question I raised, before in what way are we going to hear from people other than the ones that the applicant has solicited for comments?

Tourism and Events Director Karen Churchard: Mayor and Vice Mayor, again we would require a percentage or a number of businesses to actually sign the application. So that process we have not vetted out yet, but that would be part of the user guide. So the ordinance as it's written would regulate staff to make sure that those things are addressed in the application hasn't that we look at those in the criteria, but we have not gotten very specific as to exactly how that would entail.

Vice Mayor Smith: I think it's maybe adequate for the ordinance to -- to say that you are going to consider that net aggregate impact. I would encourage you, that state it in the handbook of exactly how it will be done and whether it's going to be something more than just the applicant's solicitation of responses, how you will reach out to the business community and advise them what's happening.

[Time: 01:50:27]

Vice Mayor Smith: And then the -- to talk about the next item, if you will, the elephant in the room, Ida Section 22-7, which are the limits. I can only tell you that when I spoke back in March, at the work study session that we had, and urged you to take the proposed 10 consecutive days for an event or 24 days in total and I urged you to spread something recognizing the seasonality, I did not expect you to essentially quadruple the number and put that same number in each of the four quarters

or -- which is for all intents and purposes what you have done.

You have said in Section 22-7a, you put a limit of 10 consecutive or 24 days during the period, during the three month period January 1 through March 31. And then you have repeated that it's no more than 30 consecutive days or 48 total days which is the same thing we had in the 23-year-old ordinance during the calendar year. I don't know how the rest of council going to feel about this, but I will tell you unequivocally, that's not what I had in mind. Certainly I think the -- we need to recognize that most events are going to be in the popular January to March 31 time frame. But I didn't mean to take the entire allotment and put it in that quarter. Nor did I intend to stay with the same 48 days for an event and it really gets to the question of whether we are talking about a special event.

Of course, I know we have struck the term "special" but whether we are talking about an event that is unique and can it really be unique if it repeats itself 48 times during a calendar year? Can it be unique if it's 10 consecutive days in the first quarter and maybe, I don't know what it will be in the second, third and fourth quarters? The intent, my intent was that we attract events which are truly unique and unique being in part defined as the frequency with which we see them. And if we see something every single weekend, during the first quarter of the calendar year, it is not going to impress anybody as being unique.

Maybe at this point, I will stop. I weighed in on several items and I will let somebody else talk. Thank you, Mayor.

Mayor Lane: Thank you, Vice Mayor. Councilwoman Klapp.

[Time: 01:59:19]

Councilwoman Klapp: Well, since Vice Mayor Smith mentioned the -- as you said, the elephant in the room the last time, I will just tag on to that, there was no intention, when I spoke, for us to increase the number of days beyond 24 either. My intention was that it would be 10 consecutive days, and no more than 48 days. I would say that the remaining 14 days can't be in the quarter. It can't all be coming in one quarter of the year. That's the intention and I don't believe I heard any -- some of the other people that have spoken on this, about no more than 24 days. I don't think I heard them disagree with that. So that would be just trying to be perfectly clear that I would not agree that the event should be 30 days or -- and a maximum of 48 days in a year.

As has been stated already by the merchants and the gallery district, this would mean if you have 48 days, you can do one day a week for the year. You can do two days a week for half the year. You can do even more days a week over the course of a quarter. It's just not the acceptable way for us to view special events. To me, a special event happened this weekend, three-day art fest. An art event, that happened for three days and it wasn't on a Thursday night. That's a special event. But something that lasts 48 days to me is not a special event.

So I will back up, after tagging on to Vice Mayor Smith's comments to say the ordinance meant in my mind to create some sort of balance between the interest of the business community and the event

producers and the tourism community, but it's not meant to negatively impact the business community. I believe it's my intention in discussing the ordinance and it's my hope that we do what we say we want to do the city as far as the economic development and that's to retain businesses in Scottsdale. And you have heard from some of the merchants that they are thinking of possibly leaving because they are not feeling as if they can be heard about this ordinance and if we do not hear them, and we do not understand their concerns about special events then they will find a city that does understand this as we mentioned, Naples, Florida, seems to get it. They don't allow an event to be any more than three days. And some other cities, my bet would be also see it in the same fashion. So we need to work on business retention and I don't believe I'm seeing our economic development department pay any attention at all to the art galleries or the downtown merchants. It's all kinds of other businesses but those people are saying we need some help and I believe we should put some focus on them. So the special events ordinance has to focus on their needs as well as the tourism and the business community.

[Time: 01:56:38]

Councilwoman Klapp: One question I did have, though, that I don't believe that David brought up and that was you have said in the past that there are -- that your intention would be that there will be a canal bank ordinance and that's something that I recall that I had asked for and the very first meeting we had about special events that we need to have an ordinance that controls the canal bank and the bridge, and that -- I believe that's something that's being worked on, am I correct?

Tourism and Events Director Karen Churchard: Yes, that's correct.

Councilwoman Klapp: Is that being mentioned anywhere in this ordinance, that there will be a canal bank ordinance that will obviously then impact that area and this ordinance would then not have precedence over that ordinance? Will you write something into this ordinance that refers to the possible canal bank ordinance?

Tourism and Events Director Karen Churchard: Mayor and Councilwoman Klapp, we would need to come back and amend the ordinance to include the canal bank's ordinance, once it is written.

Councilwoman Klapp: Once it's written and approved by council. But that would be done?

Tourism and Events Director Karen Churchard: Yes.

Councilwoman Klapp: That is, indeed a concern. Another thing that I was hoping for which we discussed in the work study session, which we are getting, is the event guide, and I'm glad of that. I think it's critical. I do see that you gave us an outline. So, I mean, that's sufficient for me now to see an outline. I don't have to see the actual event guide in order for -- to make some kind of a decision tonight, but will you bring that event guide back for the council to discuss when it is done?

Tourism and Events Director Karen Churchard: Mayor and Councilwoman Klapp, we would look for your input as well. I would add about the Naples, Florida. In their -- they don't have an actual

ordinance that states a limited number of days for special events, but in their event user guideline, they do specify that you can only put three event days on the application per application. So you could not have more than three event days on that. So I just wanted to clarify that point.

Councilwoman Klapp: Okay. I pretty much understood that, that they have got and I have specific limitation on special events in their application, and so, I mean, I think for those people who claim that nobody else in the whole country does anything like what we are doing to do with this ordinance, I don't believe that's the case. And I would also argue that we are a city that everyone wants to come here and have special events, as far as I can see. And so why wouldn't we want to put some limitations? If we were a city that -- where we're finding a Dearth of special events coming to Scottsdale and we wanted to encourage them, maybe we wouldn't put a limitation on them. Since we have so many people coming to us, and they need special events then we need limitations and not 48 days because that has been overstated by now, not a special event. It just becomes a recurring -- just a recurring event that is not special in any way.

[Time: 01:59:46]

Councilwoman Klapp: Let's see, I had another question about the -- oh, the ArtWalk, and it was -- it stated by some people that there should not be any veto power by the art galleries and as was said, I don't believe that from my conversation with them, they are asking for veto power. All they are wanting is recognition in this ordinance that if there is an art-related event that's in the area where they are located, that it not occur on Thursday night. If it's Thursday day, they don't care, just as long as it's not Thursday night and I do believe that the rather arbitrary boundaries that were picked up last time as from Osborn to camelback and I think it was Goldwater to Scottsdale Road, and that's what's in the language now. I believe it should be the entire downtown boundary. It should not just be a very small contained area. It should relate to the entire downtown boundary, which would be from Chaparral to Earl and from 68<sup>th</sup> over to Miller. Those are the boundaries that should be recognized for the art-related event that did not take place on a Thursday night that conflicts with ArtWalk. That's my opinion. We will find out how the rest of the council feels.

Let's see if there's anything else I want to bring up about this at the moment. You have already told us that the retail-type businesses will be pretty much excluded by the sieve that you put into effect, which would be the questionnaire. So I think that's important.

So the major factors that I think we need to discuss tonight is the event timing and duration and the boundaries that are going to affect the downtown ArtWalk, in particular. Those are the things -- the two key things that we need to address. I will let someone else speak.

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

[Time: 02:01:58]

Councilman Phillips: Thank you, Mayor. Well, one, I kind of -- going along here in line with Vice Mayor Smith, and Councilwoman Klapp right now, so you're starting to get some kind of direction, I

think. But if I may, I would like to speak -- well, number one, I don't think I could speak better than the business owners and the gallery owners and C.O.G.S. and them, about our downtown and how important it is. What I can do is honor their commitment to run a business and staying downtown and fight daily 24/7 to make a living and they have been doing that since Scottsdale's inception and that's the reason why we are where we are today and we can't just put them by the wayside for a bunch of fun, frivolous little events that bring people down here and there.

If you will indulge me. I got an email and I would like to read it. And this person says, I cringed last evening while on Craftsman Court, a mature couple was walking down Craftsman Court, well dressed and obviously from out of town and probably on the way to a restaurant for dinner. The street and sidewalks were filthy. Plastic cups strewn all over, dueling loud music. Young people drinking and playing bean bag toss on the Dos Gringos and hurling expletives. They continued walking on the opposite side of the street, to reach 5<sup>th</sup> Avenue as much as they could, not that it's any cleaner. I would be aghast if I was there, visiting Scottsdale and finding the streets and the landscaping in the state of rot with the look and feel of an old grungy town not worth keeping up. It's hardly an inviting experience for tourists and when you think about how much money the tourists spend, it's a total disgrace. Downtown Scottsdale sure looks spiffy in a glossy advertisement. The reality is quite different.

That's very troubling email when somebody feels that way about our city, our downtown, our old town, something that we are supposed to be proud of. I think the bottom line is we need to cater to the tourists and people that come from Germany and New York and Canada and Japan or wherever they come from. Hearing about how wonderful Scottsdale in the CVB that puts the advertisements out and covers buses and trams in New York. Let's come to Scottsdale and then to find out that it wasn't the way we promoted it. So I think we need a special emphasis on our downtown and the brick and mortar businesses that would do that.

Tourism is our bread and butter. And I hope our TDC and the TATF recognize that and recognize how important it is to real tourists because are tourists that as the one lady pointed out, 58 and over. You know, they are the ones that have saved and now they can travel. Where do they want to go? They want to go to Scottsdale. What do they want to do in Scottsdale? They want to check out the downtown that they heard so much about. We have to make sure that these people are having a good time. The opposite is, are we going to compete with tourists and the others which I guess you could consider party-goers are maybe curiosity seekers that come to these smaller events, walk around, party a little, and have a good time and go home and don't spend any money? You know, this is not helping our major tourism draw, which is the life blood of our economy.

Councilwoman Klapp, she mentioned no art-related events Thursday nights, period. I would like to see that as well. I know that was tough to do, because that would pretty much tell celebration of art you can't have it Thursday night. But the fact remains, it's an art-related event and in putting boundaries around it. Now, I agreed at the study session to put a boundary around it because I wanted to see it in there at some point. So if can he can't have it completely, let's at least have that boundary.

I would like to ask staff is the language still in there that in the appeal process, that business owners or the public has a problem with a certain event coming up, that they can appeal it to the city manager?

Tourism and Events Director Karen Churchard: Mayor and Councilman Phillips, yes, there's still criteria in there for appeal?

Councilman Phillips: Thank you. I'm glad that's still there. And just to reiterate this thing about changing the dates and times, I'm not for that, ten in January and March, and 14 the rest of the year. Maybe events in the summertime help the businesses downtown but certainly not during the time of the year when that's when their bread and butter is. That's when they make the money to get them through the rest of the year.

[Time: 02:07:27]

Mayor Lane: Excuse me one second, Councilman. Mr. Biesemeyer, did you have a comment?

Acting City Manager Brian Biesemeyer: I do. I have a correction, I believe. That particular measure about appealing to the city manager is not in there, in the ordinance. It is available in other means but it's not specifically in that ordinance. I'm sorry.

Mayor Lane: Okay.

Assistant City Manager Brent Stockwell: So when Councilman Phillips asked question, if he asked in the appeal provision is in there and that's a connection that did not change from the work study discussion. When you look at 22-15, appeals by the applicant. I have think you further clarified that to say that anybody could take to the city manager about the event permit, and that wasn't included in there and wasn't included in there when we discussed this at the work study either.

Councilman Phillips: Okay. Well, that was the reason that I think we brought it up in the first place was because, you know, back in -- when was that, November, December, when we had the pop-up tents and we came to council and I asked the city staff if people could come back to the council, and you said council has no authority over it. And I thought we agreed that at least the city manager would be able to do that, but if you are saying it's just for the applicant, it's kind of applicant. Why would the applicant complain about his own event? I mean he's only going to complain if we don't give it to him.

We want to have a resource that if you give an event, that the public or the brick mortar businesses around the downtown protest to, they have somebody to protest it to. They can't just -- they can't just say we gave it to them and they are done. If you condition come back to council, it should at least come back to the city manager and he should be able to make that decision. So if that's not in there, I think we should put it in there. So I don't know if that's a motion to put that in there as part of this ordinance or to include it in this ordinance or an ordinance for another time that, like, the bridge.

I guess that would be a Bruce Washburn question.

City Attorney Bruce Washburn: The process for that -- what's before the council is whether or not to approve the ordinance and so the process for making changes to the ordinance would be to move -- either reject the ordinance or adopt the ordinance with an amendment. If you make that type of amendment, that's a different ordinance that has an appeal provision for somebody other than the applicant, and I would strongly advise against trying to do that on the fly from the dais, if that's what council wants, we will go back. We will draft a procedure that has broader appeal rights. I would have to say most permits don't have appeal rights for anybody besides the applicant, but that's not to say we couldn't do it.

Councilman Phillips: Okay. I can understand that. All right. So I guess with that in mine, it sounds like you have pretty much three people in agreement so far, and not changing those event dates. Thank you.

[Time: 02:11:03]

Mayor Lane: Thank you, Councilman. Councilwoman Korte.

Councilmember Korte: Thank you, Mayor. So I have a question around events and in respect to day limitations. Are there -- today, do we have events that would be impacted by a 24-day per year limitation?

Tourism and Events Director Karen Churchard: Mayor and Councilwoman Korte, the farmer's market would be one example of that type of an event.

Councilmember Korte: Okay. Thank you. And that's what I thought there was. And I think also the Cavaliere horse show, although that was on private part, it would be impacted by this too, because that was a good two week stint, I believe.

Tourism and Events Director Karen Churchard: That's correct.

Councilmember Korte: Okay. So in that sense, I have a hard time with event limits because I don't know about the rest of us in this room, but that farmer's market is in downtown. I'm talking specifically about the downtown garage, on First Avenue, I believe, farmers market is an asset to this community and our residents come there every Saturday and Sunday morning to buy those fresh vegetables and locally made goat cheese and the salted caramels and everything else that's a part of that farmer's market. So I think it's important for us to consider the impact of those limitations citywide. And in that sense, I would not support the limitation. Now, if there's some type of compromise, I'm willing to compromise but at this point, I have a difficult time with that.

Number two, the canal bank and bridge separate ordinance completely agreed that that -- that we should move that forward and separate that out as we do the McDowell Sonoran Preserve or the Civic Mall, the other public areas that have their own special events ordinance.

The user guide, I certainly want to see the user guide and have input into that, because that's what our applicants are going to see. That's what our merchant channels are going to see and what they are going to use. That's got to be user friendly. And shall we say simple? We just need to make this process simple.

Fourth, is there a lot of competition for special events in Scottsdale? I mean, I know it is a qualified term, "a lot." Is there competition. Do we turn down event producers because there's too much going on?

Events Manager Cheryl Sumner: Councilmember Korte, you know, we have some event venues within the city that -- such as WestWorld, for example, or even our own stadium that actually will turn away events because of their sheer size and nature and things that they can accommodate that we do lose. Our city special event's process and procedures are really kind of at all the other areas within the city, that aren't really equipped or made to do events. So I don't necessarily that we're necessarily losing events because of the competition of people looking to request things.

Councilmember Korte: So perhaps my question should be more focused regarding some of our smaller venues. So, you know, take the bridge and the canal bank. Are we turning away event producers particularly since we don't have the artisan market there every weekend now. Are there other events, producers, events that are clamoring for their opportunity to be in Scottsdale?

Tourism and Events Director Karen Churchard: At this time, we have not had to turn away any other events or people looking come into the city, no. The canal banks, as you know, we do market those as an event venue. Oftentimes people coming to us, requesting to use those as an event is more or less by word of mouth.

Councilmember Korte: So are we seeing any additional event producers, unique experiences approaching Scottsdale to fill some of these areas that have been opened up because of the decision last year?

Tourism and Events Director Karen Churchard: Mayor and Councilwoman Korte, do we have not. In fact, we have one event that will happen on the canal banks March 19<sup>th</sup> to the 20<sup>th</sup>. Remind me, Jim. It's the Italian festival. Other than that, there are no events happening on the canal banks for the month of March.

Councilmember Korte: How about April. What is scheduled for April.

Tourism and Events Director Karen Churchard: We have two events for the month of April. One is Viva. It's a fund-raiser, the women's 2030 club and that brings 1200, 1400 people. That's April 2<sup>nd</sup> and then we also have April 23<sup>rd</sup>, the annual original taste which is put on by the executive, council charities and that's also a large fund-raiser where they give money throughout the valley.

Councilmember Korte: So but for the most part, could we safely say that event producers are not

knocking down our doors?

Tourism and Events Director Karen Churchard: That's correct.

[Time: 02:17:29]

Councilmember Korte: Regarding fees and we're -- I know we haven't talked about fees, some fees were presented in work study and I know those are still to come at a later date, I assume. And I think that will be a very important conversation and I ask that when you bring them back, bring back what the market is -- can carry. So what the -- you know, the market. So Phoenix event fees and Mesa and Tempe and Fountain Hills, what is their fee structure and making sure that we just don't overprice and eliminate ourselves out of the market. That's my concern.

And regarding the Thursday night events and this veto, I understand this veto power is a misnomer. Don't mean to say it again, excuse me, but my concern about -- shall we say, this process including only the Scottsdale gallery associations, I think is a -- a questionable precedent that we are sitting. I would like to see if there's a compromise there, that -- that process solicits feedback from all the merchants, all the downtown merchants and including the galleries for that feedback, for that potential conflict on a Thursday night ArtWalk. I'm not convinced that we should eliminate all art events from the Thursday night ArtWalk. I think there may be some compliments somewhere along the way. I would -- I just don't believe that setting that in stone is -- is as flexible as we should be.

I also believe that this zone for ArtWalk be as narrow as possible whether that's just in the core of downtown. I don't think all of our downtown from Chaparral to Osborn and Goldwater to Drinkwater should be included. That's too large of an area. So I'm expressing my opinion there.

I'm sure I have more questions as I go but my -- I completely agree with many individuals would have spoken tonight, and fellow councilmembers that our downtown area has been neglected. You know, I walk down there often, and for years, you know, I -- cigarette butts in the curbs and the weeds growing up in the sidewalks and dead trees and sidewalk benches that you wouldn't dare sit on. You know, that's unacceptable for our downtown, and I know I have had some conversations with some downtown gallery owners and merchant, also city, and if there's anything that we can do on a more immediate basis is to move forward with a focus on bettering the hardscapes and having the appropriate frequency of street sweepers come through so that the sidewalk may be dirty and there may somebody crumbling areas in that sidewalk, but at least it would be clean and at least we are doing something immediately and moving forward with the longer term project.

Thank you.

[Time: 02:21:54]

Mayor Lane: Thank you, Councilwoman Korte. Mr. Washburn, did you have a comment on --

City Attorney Bruce Washburn: Yes, thank you, Mayor. This may already be clear to everybody, but

I just want to make sure it is, on the issue of veto power. The city can't give the gallery association or anybody else veto power over how the city interprets its own ordinances. That's always done by the city. While it's perfectly legitimate -- which is what I understood to have been said, that the city will get their input on whether or not there's a conflict that would make it appropriate to deny an event permit for any mar art activity, we could -- the -- it can't be determinative what the final decision is. The final determination has to be made by the city.

Mayor Lane: Thank you, Mr. Washburn. If I might just make an additional comment on sort of the progress we are making through on some of the suggestions and some of the thoughts and some of the adds that we are talking about. We are not in a work study. So as far as the staff is concerned, this is -- these are just thoughts and comments right now. They will have to be framed up on either an amended motion for this ordinance or a request to continuance until the staff can bring it back, in which case that will have to be crafted in such a way as to say some of these items may be considered or may not. We are going to have to figure out where the council lies on that. So it's going to be maybe a bit more complicated than this confession status that we are at right now.

But with that small little insight, Councilwoman Littlefield.

[Time: 02:23:42]

Councilwoman Littlefield: Okay. Wow! Well, in general, I agree with what Vice Mayor Smith, Councilman Phillips and Councilwoman Klapp have said in the way of suggestions. I have a few things here, I think I started out at the top and kind of worked my way through after I rewatched the work study session, I would like to keep the word "special events." I think these are "special events." That's what we are trying to find and work for and allow and I think just calling them an event opens up a huge can of worms that I think we don't need to do. So these are special events. Along on that line, they are also unique and they are temporary activities. Some events are not that way, and so these need to be defined under this ordinance in that manner.

I think all of the criteria in Article 2 need to receive permit approval. If any does not, then it does not receive the approval. On your items -- I went through here on numbers so I will try to keep it so we can all figure out what I'm saying here. 22-4, event criteria, all criteria needs to be met. Specific measurements need to be found for determining a sufficient accommodation is available, especially when it comes to parking, movement, and spaces. This determination should be a save responsibility and so they need to develop a quantitative measurement so that they can tell yes or no, is there enough? Is there not? We can't just say, yes, I think this is. We don't know. It will depend how many people are going to this event? How many do you anticipate, else? I think that has to be something that staff works out.

I don't like the term net aggregate. You can't measure a net aggregate and I would like to go back if an event poses a negativism pact to a substantial number of businesses and residents, then that event is deemed to have a negative impact. You can find a much better way to quantitate that than sufficient aggregate. I think the other -- what we started out with, to begin with, is better than what we ended up with.

22-7a, this is vital. It needs to stay to 10 maximum consecutive days and 24 days per year. I totally agree with Councilwoman Klapp. The later recommendation was to spread those 24 days into six per quarter. We might have a little leeway there for seasonal adjustment, but we need to -- we need to make sure these are special, unique, temporary events.

The location box, as described before, where we did Osborn, camelback, Goldwater, Scottsdale, that was not agreed on, a council consensus. This should concern all of downtown. Actually, it's citywide. As far as that goes, and it should affect all of our downtown area, and all of the events that we have down there. It should also affect old town to some extent and one of the concerns I had as I read through the ordinance concerns the sidewalk sales.

I notice you have retail establishment shall not hold more than two sidewalk sales lasting for no more than 10 consecutive sales for sale in a calendar year. That means 20 days maximum per year. And I know many of the downtown and old town stores use sidewalk sales as a develop common for their advertising and bringing tourists in and I'm thinking primarily of the old town, the Mexican store down there. It uses sidewalk sales quite a bit. I'm wondering, does this -- does this fall under that part of the ordinance?

Tourism and Events Director Karen Churchard: Mayor and Councilwoman Littlefield, yes, the actual number of days that are in this current ordinance are in the draft ordinance are actually in the current ordinance as the same.

Councilwoman Littlefield: So how does it affect the stores that are -- I lived here most of my life and I don't think I have ever gone by that street without seeing sidewalk sales. They just are. It's part of their business. Are they grandfathered? For 23 years?

Assistant City Manager Brent Stockwell: Mayor Lane, Councilwoman Littlefield, members of the council, I think at the end of the council report, we note that one of the areas that isn't clear in Scottsdale is temporary outdoor retail sales, and that's something that needs to come back for further clarification. We note that.

Councilwoman Littlefield: Okay.

Assistant City Manager Brent Stockwell: My guess on that location is that has been doing -- that has had that stuff outside for longer than we probably had the ordinance regulated. So they are not operating under the sidewalk sale ordinance. They just have that outdoor display. That's an issue where there isn't clarification.

[Time: 02:29:30]

Councilwoman Littlefield: Okay. Thank you. On 22-9b. Let me find that. I have think we need more specificity regarding time frames and what information is required and I know it's probably in the guide and we'll get the guide eventually here. So we'll be able to read it. But I think that a

reference note at this point, in this ordinance to the guide or to whatever definition is listed would be helpful to someone who is looking at the ordinance.

You know, how much -- you are talking about a check here to ensure a packet is complete. How much time is sufficient to make sure you get responses back from people if you are sending out requests for, is this a good event for us and all of that? I would suggest two to four weeks, depending on the type of the application for a simple one or a very simple permit approval, two weeks is probably fine for the bigger events, the more complicated ones, maybe four weeks. Because you want to have time not only to send out the requests for information or input, but you want to also have time to get it back, to analyze it and get it with the packet for the city manager, for the entire packet and that feedback should become part of the administrator's packet.

Fees should be at current market rate. We will get those later. Appeals. This should not be to the staff. It should be to the city manager and I think we have talked about that before. I totally agree with that. It should not come back to staff, except for clarification, of course, and what an ordinance requirement is or things like that.

Penalties for repeated violations should include a prohibition from attaining a special permit in the future. I think that's good. It should be stated that temporary 100% retail focused booths are not special events. I think we went over that with Vice Mayor Smith.

And I think -- where are we putting the Museum for the West on this? I notice on the one area where we have listed city permits that are -- or city locations that are not a part of this permit event, we have city parks, McDowell Sonoran Preserve and Scottsdale stadium, I think it should be Scottsdale civic center mall on there and should the museum for the west be a part of that also since it runs under separate contract and is run separately?

Assistant City Manager Brent Stockwell: Mayor Lane, Councilwoman Littlefield, members of the council, the reason why the museum is not included in there is it's not the same as the other ones where it has a separate application and fee process for approval of that. It's in a little different category. Running that as a museum of western heritage is the permitted use. So anything they do at that site is allowable under that permitted use. So if you go back to the event definition, remember, one of the things that we're talking about in the event definition is that the event -- the use has to be incompatible with its legal use under the property. So we definitely could include Scottsdale's Museum of the West under that section there, but it would be included for a completely different reason for the other ones. And so let me just say one more thing on that. If you include Scottsdale Museum of the West because you want to clarify the permitted use is not subject to the use, there's private and public uses that are permitted to have events that also would not be covered by this ordinance and so that's our thought process on that.

Councilwoman Littlefield: Okay. Thank you. I will come back later.

[Time: 02:33:47]

Mayor Lane: Thank you, Councilwoman. I wanted to speak toward one of the speakers' comments and it's something I would certainly embrace 100%. And I think it is inherent in this whole process and how we have gone about it, you know, at the start of this process, I think that there was a certain amount of real agreement as to what we were trying to fix and accomplish. So there was an intent to do just exactly that, a 23-year-old ordinance and, in fact, the city wasn't charging for leased property in any meaningful way. There was no consideration for impact. There was no consideration for conflicts. There are a number of things that were more or less left to the judgment of staff, but with sort of a wide open feel on that.

So I think it's -- what happened, though is we had a level of agreement until which time the level of angst got increased and Scott, I'm talking specifically about your plea and the exhaustive nature of what this has become because of this conflict that has occurred. Whether it's enemies list or whether it's various criticisms or labeling or attacks, all of it is just really clouded the field of trying to make progress on this. And there's as many opinions about this as there are people in this room at the very least, and probably beyond that.

So I'm with you with that, and I think that's an important thing for us to try to diffuse, because putting anything together where there is no trust and there is no sense of belief in one another on either side or that there's conspiracies, or that there's a thought that somehow or other, we are not all pulling on the same oar for those involved in art and culture and art specific hinted, who should have a high level -- and I'm not isolating that group when I say this of different perceptions and interpretations, I think that we are trying to pull on the same oar, but we have different methodologies and different things about what we concern ourselves with and thinking and so that's really what we are striking to do. And I hope that that is where we will go.

So where is the balance on it? We have everything from no events to unlimited events. So we are going to find ourselves somewhere in between and someone will be unhappy or feel they are not being represented somehow and maybe that amounts to a conspiracy. I hope not. I hope we are able to do better than that. This was when downtown was particularly slow. There were points in time when they were not sending anybody downtown from the tourism industry because there was nobody on the sidewalk and nobody around. They came back and said we are not going down there and so to -- to more or less bring some life to downtown, some of these things were actually institutes as an attraction of some activity, to enliven downtown. Whether that was good, bad or indifferent, that's part of the conspiracy or the thought process. And it wasn't without some substance and foundation, the CVB who is our destination marketer told us for the longest time and frankly, it's been resubstantiated that tourists are looking for these type of events occurring in the downtown. Now, that may be wrong and maybe it's overflow. Maybe it's too much. I think that point was made. We may not have the capacity for some of what we are doing. So that's where I speak towards a balance.

But what we are here tonight, we are either going to go up or down on an ordinance as it is or we will continue it with some consideration for a lot of things that we'll have to delineate and vote on individually before we move it forward. Or we are going to consider a -- maybe someone will offer this, a -- an amended version of this, that doesn't get so complicated that as we try to avenge

something we wanted to -- amend something we want to agree upon, that it's clear enough in its terms. And I'm not sure that I'm crazy about that. I know most of staff is not crazy about that because that's where mistakes get made as to what provisions you want in, what it. Say legally and how it's going to be enforced.

I'm just going to say a couple of things more about what I -- what I would hope and we find some balance, some measure of agreement and compromise on this. But one thing that has been of concern to me, is that the compliance with the terms of any contract that the city puts together on a permit. A permit is essentially a contract. If the compliance is there, the idea that we somehow pull it out or stop it, if we -- if we agree upon certain provisions, criteria, call them what you may, we agree upon those and they are complied with, somebody has a permit.

I think Vice Mayor mentioned this earlier, one of the real difficulties you have with this is sometimes the subjective comments and how you measure compliance and how you measure what your desired result is. It's rather subjective and it's difficult. So I'm just -- I'm concerned that if, in fact, we strike an agreement with somebody with a permit -- I know we have even talked about other cities, which they have a special events permit, people have permitted to use right-of-way. They do all kinds of things. They have may call it half a dozen different things. The fact remains they do it and how heavily or how lightly, it's in the text of how they let those permits be given. I believe the compliance with the terms should be enough to assure an applicant that he has a permit, he or she has a permit.

So the appeal process, particularly some -- and I think our city attorney very aptly put it, and that is very infrequently is there an appeals process that's given to a third party that's not part of it. This ordinance should reflect the impact that concerns the citizens and so we would hope that if there's an appeal in the process, it would be by the applicant because he felt that he or she feels he's been somehow harmed.

I think retail sales is something that has to be put into the equation and how you measure it, if it's primarily retail sales versus not primarily retail sales, I think that's a matter of some judgment and who are we going to give those judgments to? We'll get to something on that as well.

As far as the veto aspect has been mentioned, personally, I'm not opposed to some consideration for the bricks and mortar -- and I say some consideration, I don't really like the idea of putting it on as a veto, but certainly an accommodation for the bricks and mortar merchants that they should have some priority position with regard to events within their time. But if they are not using it, that's something else.

[Time: 02:41:43]

Mayor Lane: With that said, just to give an example, I suppose on the one hand of the event criteria items that I have said last time in the work study that I'm concerned, with and I still am, particularly since there's an environment of some hostility and some difficulty with giving anybody the say so on these things and ultimately whether they would even hold, the size and attendance and the nature of the event is suitable for the location. It's a tough thing to call, but there is a judgment that can be

made for those who are professionally in a position to consider. That can event traffic be able to measure expected attendance. That may become obvious to some people but when it will become obvious is when suddenly it suddenly can't accommodate it because the attraction to the event far exceeds whatever they may have thought it would and thus then are they in -- are they now in violation of the criteria? And thus thrown out? s parking provided, the same thing to accommodate it. These are tough calls and there will be a point where they are going to have to figure whether or not they are in violation ultimately of what -- whatever the desired effect was supposed to be. Is noise managed to minimize the aggregate impact? I know we have talked about just the use of the word "aggregate impact" but obviously that's the combined effect. And the event being accommodated with required city services. Those are just some of the variables, I think that are out there that I think would be tough to quantify, either on the front end or in compliance.

So with that being said, I think the current -- the current ordinance that the staff has brought before this, and this is notwithstanding some items that will come later on the guidebook and also the rates. The rates of the charging and whether or not we apply some seasonal or location or other criteria no those things which I would very much think would be appropriate, I think we -- we have got a pretty good ordinance here. I realize there's some tweaking that could occur but it will be up to this council if they want to do that or come back and do this again. I mean, maybe -- I would sort of like to get it done with. I would like to get into a point some of agreement and I don't know when that may happen, but it's your plea. I'm with you on that.

[Time: 02:44:38]

Mayor Lane: And I actually -- I'm at a position and a point, I suppose that I will make that motion. I have to go find it first, but it was up on the board. And I don't remember exactly where -- with all the conversation, I don't know where exactly people might stand on this. But -- so I might find myself out on a limb again, which I have been there before, but I'm going to make the motion to adopt or Nance number 4242 adding Articles I through VI with to Chapter 22, of the Scottsdale revised code pertaining to events and amending Chapter 47 Article VI division of the Scottsdale revised code pertaining to use of right-of-way. That's my motion. I'll take the priority to give you some time to think about it.

Okay. The motion fails for a lack of a second.

Councilwoman Klapp: I will second. I will second it if we are just dealing with ordinance number 4242. I will second that.

Mayor Lane: Very good. The motion has been made and seconded. Do you want to speak toward it at all?

Councilwoman Klapp: No.

Mayor Lane: Okay. All right then the motion has been made and seconded. On the ordinance number 4242 to adopt it. If there's any further comment, I think we are then ready to vote on that.

[Time: 02:46:30]

Vice Mayor Smith: At one point does one introduce an alternative motion?

Mayor Lane: You can do it right now. In fact, it would be best if you did, otherwise it will pass.

Vice Mayor Smith: At that point, I would like to introduce an alternative motion, if I may. And the alternative motion is to adopt ordinance number 4242 with three additional corrections. Number one, I -- my motion would introduce -- reintroduce the word "special" as an adjective, modifying the word events in any place that it appears in the new ordinance. Number two, I would revise Section 22-7 (A) which is the organization that deals with timing and duration.

Mayor Lane: No, I'm sorry. We are just dealing with the first one.

Vice Mayor Smith: Is that not in the ordinance, Articles I through VI, the Chapter 22?

Mayor Lane: We are talking right now, ordinance 4242.

Vice Mayor Smith: Is adopting ordinance 424, 2 adopting the entire --

Mayor Lane: No, it is simply the ordinance.

Councilwoman Klapp: I'm confused.

Vice Mayor Smith: Then I think I'm confused about what the ordinance really is. What are we voting on?

Mayor Lane: One second, Councilman. We have the ordinance 4242, and then we have the resolution 10381, which is to declare the documents entitled as additions to --

[Time: 02:48:24]

Vice Mayor Smith: Maybe the city attorney can clarify for me and perhaps for others the distinction of what we are voting for versus --

Mayor Lane: Mr. Washburn.

City Attorney Bruce Washburn: Bottom line if you are going to change the ordinance, you should do it at this time, if you are going to make changes to 22-7 (a). The ordinance itself, enacts the substance the matter.

Councilwoman Klapp: Okay. Then I withdraw my second.

Councilmember Korte: I will second it.

Mayor Lane: All right. Now are we all clear as to the ordinance, the distinct between the ordinance does adopt it and it's adopting the ordinance?

Councilwoman Klapp: You have to read the whole thing.

[Time: 02:49:14]

Vice Mayor Smith: And I still would like to make an alternate motion.

Mayor Lane: Okay. Go ahead and are you then going to include the resolution then?

Vice Mayor Smith: Since there seems to be some confusion about it, yes, I will just make my motion to adopt ordinance number 4242 and also adopt resolution number 10381 as presented in all cases with the following additional items. Number one --

Mayor Lane: Okay. Go ahead. Yes.

Vice Mayor Smith: Number one, any time the word "event" is used, it will have adjective "special" in front of it. Number two, in Section 22-7 (A) which is the portion that deals with timing and duration of events, that the section be modified to read that an event shall not occur more than 10 consecutive or -- I'm sorry, not -- shall not occur more than 10 consecutive days or 24 days during the year. The rest of the words that are currently on that section would be struck. And the following phrase would be added to clarify the 24 days per year of which no more than 10 total days can be in any calendar quarter. My third amendment would apply to Section 22-7 (B) which is the definition of the art events that would be prohibited if they conflict with the scheduled Thursday night ArtWalk and I would substitute for the boundary that are described, which is Osborn and camelback roads and Goldwater boulevard and Scottsdale Road, I would substitute the phrase "the downtown area."

I think that is my motion or my alternate motion, Mr. Mayor.

Councilwoman Klapp: I will second that motion.

Mayor Lane: The motion has been made and seconded. Would the second like to speak towards that?

Councilwoman Klapp: You almost wrote exactly what I wrote on my pad that I would have made in a motion. So I fully agree with the things that he added to the resolution.

[Time: 02:52:06]

Mayor Lane: Staff has indicated -- Brent?

Assistant City Manager Brent Stockwell: Mayor Lane, members of the council, we wanted to clarify

two things in the motion. The first one being adding the word "special." So what that means is we will add the word "special" more than 70 times to the ordinance, because we counted it up and that's how many times we included it. We are fine with that. But I would like to explain the rationale behind not including the word "special" in there. The event definition refers to a lot of things that people don't necessarily think of when they think of special events this includes the sidewalk sales and the grand openings and the events on the private properties that don't impact anything outside of the private property. I wanted you to know that the effect is that we would add it 70 times in the ordinance. The other thing to think about is think about what you truly mean by what is special and maybe only refer that to those special events on city property that meet the criteria there that the council asked us to add, to talk about those things that really benefit the community overall. That's one thing to think about.

The other thing is on the downtown area, that is a suggestion that might help that be more defined is the council already by resolution has adopted the boundaries of downtown Scottsdale in downtown character area plan. So if you amended that to say in downtown Scottsdale as defined in the downtown character area plan, it would put more specificity around it. And if you want to see a map of what that looks like, we can put that up on the Elmo.

Vice Mayor Smith: If I may respond. Number one, I don't care whether it's 70 times or 800 times, it's just a matter of ink. So do it how many ever time you want. My concern is that in omitting it, I think we have lost some of the character of what we are trying to attract with these events.

Number two, I agree with you, if there was a definition and I think that's what I meant when I said downtown area. So if we amend Section 22-7 (B) to define the area as the downtown area as -- I lost your words.

Assistant City Manager Brent Stockwell: Downtown Scottsdale as defined in the downtown character area plan.

Vice Mayor Smith: I agree.

Councilwoman Klapp: I agree with that. That was the boundaries which I mentioned in my comments from Chaparral to Earl and from 68<sup>th</sup> Street to Miller.

[Time: 02:55:00]

Mayor Lane: Mr. Stockwell, can I just ask the question, when you cited some concern about the labeling of special and that it's inclusive of things that are not special, I think this is an interesting conversation in and of itself, but nevertheless is this difficulty with those events that we may not -- are we applying now criteria to a lot of other -- well -- does this ordinance apply to a number of things that somehow are mislabeled if we change it to special events? I mean, I don't see that there's difficulty here does. Is it type of legal interpretation and the interpretation of sidewalk sales and grand openings and those things that you more or less indicated are not special events as we have chosen to define them here?

Assistant City Manager Brent Stockwell: Mayor Lane and members of the council, looking at the ordinance quickly, the grand opening and seasonal sales, special vehicle sales, sidewalk sales are all things that don't require an event permit, but are reviewed and I think we can construe that they are not really special events but -- you know, the approach of staff and as we went through public outreach out here is to get a sense of what truly makes a special event and define it through the criteria as being things that meet all of those things and then not having to refer to the word "special event" but either way is fine with us.

Mayor Lane: Well, just as long as -- those kinds of things don't necessarily have to comply with the same type of criteria and issues that are in this ordinance. Do we need to make an exemption for sidewalk sales and grand openings and those kinds of things?

Assistant City Manager Brent Stockwell: Mayor Lane, members of the council, I have think what will happen in the definition section, it will say special event means an organized temporary activity or series of temporary activities held outdoors on public property or private property and open to the public by advertisement or invitation with or without charge and then it makes the comment after that, any reference to special event in the code other than this chapter shall mean event as defined herein. So, you know, as I'm thinking about it, it's just a modifier that --

Mayor Lane: Okay.

Assistant City Manager Brent Stockwell: That through the criteria you go on and modify further.

Mayor Lane: As long as we can accommodate it without creating additional problems for things that just events. I'm watching the city attorney closely and I haven't seen him move.

City Attorney Bruce Washburn: I'm just going to say this, mayor, I have not thought about it from that perspective and I can't give a definitive answer but if the other -- if the city management is comfortable with it then -- if it creates a problem, I will let you know but I'm hoping that will not be the case.

Mayor Lane: Okay. Very good.

[Time: 02:58:13]

Tourism and Events Director Karen Churchard: Mayor, may I clarify one thing?

Mayor Lane: Yes.

Tourism and Events Director Karen Churchard: And Vice Mayor Smith, on the -- on your motion, if could you clarify year by calendar year, so that we are very specific on that as well, please.

Vice Mayor Smith: Are you talking about the 24 events --

Tourism and Events Director Karen Churchard: Yes, 24 days in a calendar year.

Vice Mayor Smith: I was leaving in the word -- yes. The answer is yes, calendar year. That's fine.

Mayor Lane: Okay. We do have the motion -- or the alternative motion on the table as well. Do we have some further comment? This is changing quickly. Mr. Washburn, are you back up on top here?

City Attorney Bruce Washburn: I'm sorry. You are getting ready for a vote and one minor clarification and that is when you said calendar quarter, I believe, I just want to make sure that we are clear that a calendar quarter would be January, February, March would be one quarter in other words it's not one-fourth of the year, it's three months, three months, three months, starting with January.

Vice Mayor Smith: That is right. Yes.

Mayor Lane: Very good. So the alternative motion is on the table. We have some comments starting with Councilman Phillips.

Councilman Phillips: I will pass at this time.

Mayor Lane: Okay. Councilwoman Littlefield.

Councilwoman Littlefield: Just to make sure Vice Mayor this includes removing the box and including all of the downtown area as defined by Councilwoman Klapp, 24-day maximum, 10 maximum consecutive or six per quarter. Thursday night geography to include all the downtown area. On 22.7 where it says the Thursday night geography should include all of that in consideration for the ArtWalk protection. And I also would like if it's all right with the amended motion maker to include one other addition to, that and that is to reinstate the process for appeal and/or the city manager where appropriate or needed. Because they said that wasn't in this.

Mayor Lane: Whose appeal?

Councilwoman Littlefield: The event -- the applicant.

Mayor Lane: Yeah.

Councilwoman Littlefield: They had said that there --

Councilwoman Milhaven: Someone else can't appeal it.

Councilwoman Littlefield: Okay.

Councilwoman Milhaven: But the applicant can appeal.

Councilwoman Littlefield: The applicant, yes. I want to make sure that it's still in the ordinance.

Mayor Lane: Is that still -- it is in there. We verified it.

Tourism and Events Director Karen Churchard: Yes, it is in there, for the applicant has a process for appeal.

Mayor Lane: Yeah.

Councilwoman Littlefield: Okay. Thank you.

Tourism and Events Director Karen Churchard: Also the six per quarter was actually ten per quarter. I just want to verify that as well in the motion.

Vice Mayor Smith: It is. The language -- well, it's not 10 per quarter. It's 24 in total for the year. It could hardly be 10 for the quarter and event should not occur more than 10 consecutive days or 24 total days of which no more than 10 total days can be in any quarter.

Tourism and Events Director Karen Churchard: Yes. Councilwoman Littlefield said six per quarter.

Councilwoman Littlefield: I'm sorry.

Mayor Lane: All right. So then you are satisfied that that provision is in there, Councilwoman?

Councilwoman Littlefield: Yes, as long as there's a referral process to go back to the city manager.

Mayor Lane: All right. So no amendment to that is necessary. Councilwoman Korte.

[Time: 03:02:17]

Councilmember Korte: Thank you, Mayor. I really want to support this, but when we limit the number of days of an event and that eliminates our potential for farmer's markets, which are events that are celebrated within any community, these -- these farmer's markets, they are going to go elsewhere and our community is going to get left out. I just believe -- I really believe that limiting events has a far broader impact than we can possibly imagine and I would be -- so the limitation of events as written in the draft ordinance, I would be -- I would be fine with that. It would be 10 consecutive or 24 total days in the January through March and then no more than 30 or 48 during the rest of the calendar year. That would take care of our farmer's markets and the time span that they are -- you know, that they set up every weekend and that thousands of our residents and taking care of our residents and what our residents are looking for, that would take care of that.

So I ask -- so I will just put out an alternative motion that in Section 22-7 an event shall not occur more than ten consecutive or 24 total days during the period of January 1 through March 31<sup>st</sup> and no more

than 30 consecutive days or 48 total days during the calendar year, unless otherwise provided in this chapter. So that's an alternative to an alternative.

Mayor Lane: Are you saying and assuming all the other factors that have been lined out in the alternative motion and adding that provision?

Councilmember Korte: Yes.

Mayor Lane: Can you repeat that for me?

Councilmember Korte: So what I'm doing is I'm going back to the draft ordinance as written in Section 22-7.

Mayor Lane: With special events, the downtown area, but now changing this component here?

Councilmember Korte: Just changing the event limit days as written in the draft ordinance by staff in Section a. Because the ramifications of this limitation are far beyond what we are -- what we are seeing tonight off of this dais.

Mayor Lane: Hold on one second.

Assistant City Manager Brent Stockwell: Mayor Lane, members of council, Councilmember Korte, another thing that we will thought about here is if farmer's markets are the particular issue that you are concerned about, then you could just amend the motion that has been made about event limitations to say this does not apply to farmer's markets.

Councilmember Korte: I'm not willing to do that.

Mayor Lane: I'm sorry?

Councilmember Korte: I'm not willing to do that.

Mayor Lane: One thing that is a bit of a question, I suppose, the way this encompasses the farmer's market is by the expansion to the entire downtown area as described in the character area plan for downtown. So it's incorporated, that and maybe other things that may not have any real bearing on what we are doing. But in any case, it dies for a lack of a second. I wasn't seconding it.

Yes, Councilwoman Klapp.

[Time: 03:06:14]

Councilwoman Klapp: I need a clarification. We had a conversation about this, Brent because this was something that I discussed with you early on about how this might impact other events and I thought you had said that farmer's markets would be covered under a license agreement and they

would not be impacted by the events ordinance. Is that not still the case?

Assistant City Manager Brent Stockwell: Mayor Lane, Councilwoman Klapp, that's still correct. So this ordinance does not impair the city's ability to enter into a license agreement and so in that specific case, four farmer's market, a license could be entered into with terms acceptable to the city, with fees and all the responsibilities of that applicant. That's something that could be done, because it wouldn't be an event -- you know, that would be allowed under the ordinance.

Councilwoman Klapp: Because it's essentially a business. So I think with that understanding that it will not necessarily be impacted by this ordinance, then we should not be having a lot angst about farmer's market because it seems to me -- you brought this up, in fact, under the work study session, you had mentioned that farmer's market and food trucks could be covered by a license agreement so if we vote for this tonight, that can still occur and that would not mean that farmer's -- excuse me. That would not mean that farmer's markets would go away. We would just find another mechanism for farmer's markets to occur in Scottsdale.

Assistant City Manager Brent Stockwell: As long as everyone understands that.

Councilwoman Klapp: I understood that. I think that takes away the objection to the 24 days limitation for this ordinance because we'll deal with those things like farmer's markets and food trucks under a different licensing agreement.

Mayor Lane: Thank you, Councilwoman. Councilman Phillips.

Councilman Phillips: Call the question.

Mayor Lane: Question is called. Do we have a second for call the question.

Councilwoman Littlefield: Second.

Mayor Lane: The question is called then. So we have got an alternative motion as is outlined by Vice Mayor which reinserts special into special events, keeps the days of the year -- of the 10 consecutive days and 24 days a year and incorporates the downtown area as described in the character area plan, is that correct? That's the motion that's on the table. Councilwoman Korte, do you have a final comment? Then we are then ready to vote. All those in favor, please indicate by an aye. Those opposed with a nay. Aye.

[Time: 03:09:24]

Councilwoman Milhaven: I was waiting to hear for the rest of the conversation before I spoke. I could see how the conversation was going, but since you called the question, I didn't want to comment, even though we already voted. This has been, yes, very painful and challenging for everybody and it's really been quite extraordinary to me.

We all agree on a great deal of what this conversation is all about, but we disagree very veraciously and when I say we, I mean the seven of us on the dais, I mean downtown merchants, I mean members of the tourism community. We all agree our downtown is important and special needs to be preserved and promoted. We also agree that tourism is important. We all agree we want our downtown to be a place where locals and tourists want to come visit. We are all embarrassed at the story that says the concierge doesn't send people downtown anymore and I think we need to ask ourselves the big question: Why not and what more can we do?

We all agree that the city needs to invest in our downtown and when I'm sitting here getting ready for this conversation, when I -- when I look at the gallery association, the city of Scottsdale is a big sponsor for the gallery association and the ArtWalk and the downtown Scottsdale website is hosted by the city and we spend money to keep it up. Yes, we agree the city needs to invest. Do we need to do more? The question is what is planned, you know, the tourism community is investing what can we do to make sure downtown -- to keep our downtown special and make it more special.

I voted no tonight because if we created an ordinance that says it's net neutral or net positive, why does it matter how many days we do it and if we are going to exclude events that we might like to, have that causes me some concern. I believe we are all trying to accomplish the same thing.

You know, the -- my office is downtown. I go out at lunchtime sometimes and go to some of the local restaurants or go grab a sandwich and tourists stops me and asks me directions. I give them directions and we wind up walking down Fifth Avenue in the same direction and they say where is everybody?

So I agree we need to invest in our downtown and I think we all agree, it's really sad to me that a community that is in such agreement about the importance of downtown and the need to invest in it disagrees so veraciously and doesn't see that we are all really trying to go in the same way and make the same investment.

So I know this conversation isn't over. This is just about special events. I look forward to future conversations about how we invest in our downtown. Thank you.

Mayor Lane: Thank you, Councilwoman. So we have -- are we setting up to do it again? Oh, I thought we actually did. I suppose we had an absence there. In any case -- okay. All right. So we are ready then to vote. All those in favor please indicate by aye.

Councilwoman Klapp: What are we voting on?

Mayor Lane: The same alternative motion. I thought we did too. Okay. There we go. All right. So it passes 6-1 with Councilwoman Milhaven dissenting. Thank you, everyone, for all the input. I appreciate it very much and hopefully we can move forward in a positive vein for all of us and the entire downtown city.

So with that --

Councilwoman Klapp: Move to adjourn.

Mayor Lane: We are not done. He's trying to save his place.

**ITEM 13 – MONTHLY FINANCIAL UPDATE**

[Time: 03:13:01]

Mayor Lane: The next item is the monthly financial update, and we have Mr. Nichols here, our city treasurer to give us that update.

City Treasurer Jeff Nichols: Thank you Mr. Mayor and members of council, I will be very brief. Although there's a lot of noise in this monthly presentation, from what I presented last month, there's only a change of \$500,000. It's not to the positive, however. So I will walk you through it.

Excluding the sales tax category for a moment, we will get that -- to that on the next slide, but some items I would like to point out on this slide, the \$5.4 million difference, one of them is license permits and fees. And what we're seeing is a trend in recreation fees. We had a strong July, November and December. We are also seeing some uptick in WestWorld in the events at WestWorld.

As far as the interest earnings, you see that 51% variance. It's not much. But it's \$300,000. A lot of that has to do, we mark-to-market in our investments at the end of every month. This doesn't necessarily mean we are going to realize those -- those winnings if you will, those earnings because by the time we saw that investment, it may not be there. So -- but we do change on a month-to-month basis.

To dig down into the 1% general sales tax fund, you see a \$3 million bottom right-hand corner positive variance. The majority of this coming from the small retail stores. What I'm being told is it's due to increased building materials, home furnishings and sales via websites and computer hardware/software. We are also talking about the miscellaneous goods and services.

We are seeing some uptick in the golf course revenues. I have noticed that was on one of the slides about 20% of the people come here say they play golf. They are spending money at the golf course vendors. That's a good sign.

The other area is construction. While construction is doing well, the majority of that \$1.1 million positive variance is due to several large one-time audit payments for the sale of commercial building, and the same in the rental area. You see a positive variance of \$800,000 or 10%, and the majority of that is due to two large self-reported spec sales of apartments, and one on the sale of a commercial building. So people are self-reporting and we're winning some extra sales tax for that.

Here's a slide I do want to focus a little bit on, because you see a trend here. I say it's a trend, and I say that because out of the months that we had, 52 months in a row, we only had one tick, if you will,

that little red tick in about the bottom left-hand third, we had a little downturn there and that 52 month run where we had green bars the whole way along. And now we had three of the months in the last ten months where we are not meeting our projections. You have seen recent articles that sales are soft, that spring training is not doing as well this year as it did last year. We're seeing in the hotel/motel report that bed taxes are not as large as they had been last year. And so we're also seeing that month over month in the sales tax category, however, when we look at that did, so that's about \$379,000 off budget. Overall for the year, we are still up about \$2.6 million when you take the aggregates of the months. So we are still in a good position compared to budget, but I do get concerned when I -- but I do get concerned when I see red bars that are calling off to the left. Hopefully they just go away.

To get to the general fun operating uses by category, again, bottom right-hand corner, a positive \$1.1 million -- yes, sir.

[Time: 03:17:00]

Vice Mayor Smith: If I may take you back to the previous slide, obviously it was -- the sales tax receipts were down from last year. For the month were they on budget, however?

City Treasurer Jeff Nichols: For the month, they were not. They were -- well, I'm sorry. Vice Mayor, I have to get back to you. They may have been on budget and just been lower than February.

Vice Mayor Smith: I didn't know if it was an expected downturn from the budget and obviously a downturn from last year, but --

City Treasurer Jeff Nichols: A very good question and I will remember in the future to have that answer budget to budget. Budget to actual, but month over month, February of 2015 to February of 2016, they are down about \$400,000.

Again, salaries and wages, what we are seeing and I think if we look back maybe 25, 30 years we are seeing a lot of people retiring this year, all across the spectrum. Community services, the city attorney's office had several long-term employees retire. We are seeing it in the police department as well. So we're filling those positions with people at less than the amounts budgeted and we are seeing some savings there.

When you look at the contractual commodities and capital outlay, the 1.7 million, about three-fifths of the way down the slide, the one 4% positive variance, we are seeing things such as the fuel costs are down. We know that. We are seeing winnings from utilities being less than budgets. We budget utilities based on past experience and we are just having a better experience than we had in the prior years when we look at those. We are also seeing our maintenance vehicles trending a little by lower.

The transfers out, the \$1.7 million negative variance, that's just because you all have taken some actions that were requested by staff. Those -- two of those actions were related to healthcare, transfers from the general fund and to the healthcare fund that totaled about \$1 million. The other

was a sale of a surplus property within a community that was recently sold and that money had to come into the general fund when it was sold, and then it had to be transferred out per council's correction to the capital improvement fund to fund one-time expenditures. That's why you see the \$1.7 million negative variance.

When you look at the -- I'm sorry, when you look at the general fund operating uses by division, you only see two anomalies. I would call them anomalies, the mayor, charter and county officers, we had not budgeted for the election that took place in November. We will be coming back to council when we view up budgets and asking that funding for that election.

And then in the public safety fire, you see a negative \$300,000, 1% variance. We are seeing some overtime issues within the fire department that do cause me concern and it relates to the paramedics and how many paramedics we have. And it goes to the agreement we have with the other communities and how we have to staff the trucks but basically we tell them we are going to have two paramedics on the truck. We are addressing that issue with the fire department to get ALS advanced life support certified and hopefully drive those costs down. It seems like sometimes we are chasing our tail with some of these overtime issues within the police and the fire department. So it can get aggravating at least for me at times.

But overall \$2.8 million positive variance, bottom right-hand corner in our expenditures. As I said last month, at the end of January, we had a change in fund balance of positive 7 million. This month, we are down to \$6.5 million but with that being said, the class is still half full. We are at a \$6.5 million positive variance, which I believe is a very good thing and with, that I would take any questions you may have.

Mayor Lane: Thank you, Mr. Nichols. A very good report. Some disappointing news. I hope you make it up next month.

City Treasurer Jeff Nichols: Me too.

Mayor Lane: I have no questions. There's no questions from the council. So thank you very much for the report. Thank you.

City Treasurer Jeff Nichols: Thank you, Mr. Mayor.

#### **MAYOR AND COUNCIL ITEMS**

[Time: 03:21:23]

Mayor Lane: That completes our business for this evening, unless there's any petitions or council items. Yes, Councilman Phillips?

Councilman Phillips: Yes, I'm sorry to do this to everybody, but please think about this for a minute. I would like to make a motion to move to direct staff to come back to council with a resolution that we

use only our public safety chaplains to do the city invocations.

Mayor Lane: Now, the status --

Councilman Phillips: Nobody has had time to think about it, but I can't really disseminate to that.

Mayor Lane: That's not something that's agendized --

City Attorney Bruce Washburn: It's a mayor and council item. That's what I understand he's doing is asking that it be agendized at a future meeting.

Mayor Lane: The motion has been made. It fails for lack of a second. So thank you.

**ADJOURNMENT**

[Time: 03:22:23]

Mayor Lane: And do I have a motion to adjourn.

Councilwoman Klapp: Move to adjourn.

Mayor Lane: Motion to adjourn. We are adjourned.