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#### **CALL TO ORDER**

[Time: 00:00:05]

Mayor Lane: Well, no need to gavel this evening thank you very much. Good evening. Nice to have you here. I would like to call to order our 5:00, March 6<sup>th</sup>, 2018 Regular Meeting.

#### **ROLL CALL**

[Time: 00:00:20]

Mayor Lane: And we'll start with a roll call, please.

City Clerk Carolyn Jagger: Mayor Jim Lane.

Mayor Lane: Present.

Carolyn Jagger: Vice Mayor Virginia Korte.

Vice Mayor Korte: Here.

Carolyn Jagger: Councilmembers Suzanne Klapp.

Councilwoman Klapp: Here.

Carolyn Jagger: Kathy Littlefield.

Councilwoman Littlefield: Here.

Carolyn Jagger: Linda Milhaven.

Councilwoman Milhaven: Here.

Carolyn Jagger: Guy Phillips.

Councilman Phillips: Here.

Carolyn Jagger: David Smith.

Councilman Smith: Present.

Carolyn Jagger: City Manager Jim Thompson.

Jim Thompson: Here.

Carolyn Jagger: City Attorney Bruce Washburn.

Bruce Washburn: Here.

Carolyn Jagger: City Treasurer Jeff Nichols.

Jeff Nichols: Here.

Carolyn Jagger: City Auditor Sharron Walker.

Sharron Walker: Here.

Carolyn Jagger: And the Clerk is present.

[Time: 00:00:49]

Mayor Lane: Thank you. And you may have noticed I fudged a little bit on the 5:00. I want to apologize for being a little late. We were tied up in important topic in Executive Session. So sorry for that.

A couple of items of business. We have speaking cards, and those are the white cards that the city clerk is holding up over her head over here to my right. If you would like to speak on any of them for Public Comment or for any of the agenda items and the yellow cards, which she will now switch over to, over here on my right as well, for written comments for any of the items that are on our agenda. So, and we will read those through the course of the proceedings. This evening, we have Scottsdale Police officers Jason Glenn and Tony Wells here to assist and they are generally right straight in front of me up there, if you have a need for their assistance. The area behind the Council dais are reserved for the Council and the staff but we do have restrooms over here to my left under that exit sign. They are there for your convenience.

**PLEDGE OF ALLEGIANCE**

[Time: 00:01:59]

Mayor Lane: Today we have the opportunity to hear from the Junior Troop 1911, with leader Kim Paltzik, and they will lead us in the pledge this evening. If you would go to the microphone. If you are able, please stand.

Troop 1911: 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, ladies. We are already programmed on this. Let us know your name and what school you go to and your favorite subject.

Troop 1911: Hello, my name is Simone. I'm in fifth grade and I go to Madison Traditional Academy. My favorite subjects are art, drama and math. Hi, my name is Delara, and I'm in fifth grade at PCBS and that stands for Phoenix Country Day School and my favorite activity is art. Hi, my name is Laura, and I go to Phoenix Country Day School. I'm in fifth grade, and my favorite subjects are P.E. and science. Hi, my name is Kate Bakis and I go to Phoenix Country Day School. I'm in fifth grade and my favorite subjects are music and math. Hi, my name is Suki and I go to Madison Traditional Academy. I'm in fifth grade. My favorite subjects are art and drama. Hi, my name is Ellie, and I go to PCS, which is Phoenix Country Day School. I'm in fifth grade and I like music and art. Hi, I'm Lauren and I go to fifth grade and I love horseback riding and art. Hi, my name is Michaela, and I go to Phoenix Country Day School, and I'm in fifth grade. I love ballet, softball and Spanish, and we would like to thank the Council for inviting us here today.

Mayor Lane: Well, thank you very much. Thank you, ladies that was very nice.

**INVOCATION**

[Time: 00:04:09]

Mayor Lane: Our next order of business is for the invocation this evening. We have Pastor Xavier Salazar from Scottsdale Bible church. Pastor?

[Time: 00:04:47]

Pastor Xavier Salazar: Before I pray, I just want to say thank you to Mayor, Vice Mayor and all the Councilmembers, just for one, allowing me to be here, but also just the way you serve the city of Scottsdale. So thank you guys. If you just want to bow your hearts with me as I pray. Heavenly Father, Creator of all things, I thank you for the way that you have blessed us. I'm so grateful for your many gifts, even the breath in our lungs and the opportunity to live another day. Thank you for this opportunity tonight that we are here together with a common desire to serve our community and serve the people of Scottsdale. Thank you for blessing us with the desire to do just that. I don't believe that we are here on accident. So thank you, Lord, for hand picking each person here, and I pray that you help our governing authorities govern with a sense of order, justice, and peace. I ask that you bless our Mayor, our City Council and all other city officials who serve and sacrifice for the benefit of our city and the people within it. Specifically, Lord, I ask that you grant to each of them wisdom, especially among conflicting interests. Lord, give them a sense of welfare and the true needs of our people and our city. And a craving for justice and rightness. Lord, give them the ability to work together in harmony, even when there's disagreement. I pray for the agenda set before them today. Please give an assurance of what would please you, and what would benefit those who live and work in and around our city. I ask this in accordance with your will and your mighty name, in Jesus' name I pray, amen.

Mayor Lane: Amen. Thank you, Pastor.

#### **MAYOR'S REPORT**

[Time: 00:06:40]

Mayor Lane: As part of the Mayor's report, I have the nice duty to announce the Arizona Youth Art Month.

And we have a proclamation to that effect, and it is, it reads as: Whereas Scottsdale prides itself as a world-class community and one of the best places to raise children; and whereas, art education is an important part of a well-rounded education and develops critical thinking skills and improves problem-solving and reinforces what children learn in other areas; whereas, children who participate regularly in the arts, whether visual or performing arts, are four times more likely to be recognized for academic achievement. The city of Scottsdale supports the efforts to provide well-rounded education of our students by upgrading visual awareness of the cultural strengths of Arizona and the United States; and whereas, the residents of Scottsdale have joined the state of Arizona, the National Art Education Association and the Arizona Department of Education in supporting the youth of our community and their intellectual development through the support of artful education, offering support to our committed art educators, teaching artists and arts organizations.

I therefore Jim Lane, the Mayor of the city of Scottsdale do hereby proclaim, March 2018 as Scottsdale Youth Art Month, in witness where of have affixed the seal of the great city of Scottsdale, Arizona.

And I would like to ask one of our local art teachers, Tracy Johnson, to come forward, please. And Tracy is an art teacher at Coronado students and her four students, only two? Who would that be? Would that be Jose Fernandez? And Hayden Carnes. To take a picture. Let me come on down.

**PRESENTATIONS/INFORMATION UPDATES**

[Time: 00:09:39]

Mayor Lane: For a presentation that we do have as well, we have the 2018 Parada Del Sol review and we have Wendy Springborn, Parada Del Sol committee volunteer.

Wendy Springborn: Good evening.

Mayor Lane: On the highest order. Welcome, Wendy.

[Time: 00:09:58]

Wendy Springborn: Thank you. My name is Wendy Springborn. I'm one of three co-chairs for the Parada Del Sol parade and Trail Ends Festival and that's the Scottsdale Parada Del Sol, along with me is Chris Lyman and Don Chiappetti. We wanted to do a quick overview of what this year really turned out to be and give you a few metrics of what is going on, but then also present our three prestigious awards for the parade. So just a quick event overview, attendance, we had 30,000 last year. We are estimating 35 to 40,000 this year. We consistently heard from people that not only entries in the parade, but visitors as well, that it was a much larger attended parade than it was the previous year. So we are just kind of doing the Scottsdale, or the Chamber of Commerce swag with the numbers. Not a lot of theory behind it.

Entries went from 100 to 125 this year. Sponsorships, 25,000 from last year, up to 34,000 plus this year. And we even have some additional sponsorship money that's coming in after the event. Our marketing we were only able to invest \$10,000 last year and we were able to swing about \$13,400 this year, however, as you can see the premarketing that we were able to get this year, over \$118,000 and that's on a conservative level. So we are really excited about the additional exposure that we were able to obtain this year, thanks to our wonderful Ellen Bilbrey who heads up our marketing and P.R. for us.

So new this year, in front of you, you have the Scottsdale Independent. Inside that, the Parada Stampede is something that we had years ago and it was something we would hand out along the parade route. It would have the parade lineup in it, et cetera. So we brought it back this year. In partnership with the Scottsdale Independent newspaper. It was an eight-page tabloid that for \$2,300 cost to us, there were some additional people that also took out ads, easily \$18,500 value that we received from that. We had an overrun done so that we could hand that out along the parade route so people could get that along with the lineup. So we were really excited about this. The Parada Stampede not only highlighted the parade but we looked at all the western week events. So the Art Walk, the American Indian program that was on Saturday and Sunday, the Rodeo that's coming up.

So just a whole bunch of events that went throughout western week. We also did a PSA video production this year. We partnered with Merestone Production, which premiered on city cable and Cox cable. Let me see if I can get this to work. So this is our....

Video: Western spirits by getting involved in the 65<sup>th</sup> annual Scottsdale Parada Del Sol. On Saturday, February 10<sup>th</sup>, enjoy the horse-drawn carriages, stage coaches and the Scottsdale Charros and Native American village and become a day long street festival. Go to [Scottsdaleparade.com](http://Scottsdaleparade.com) for all the details of the week.

Wendy Springborn: This was something new that we were able to do this year and we are hoping that in conjunction with the Tourism Development Commission of trying to get it into some of the hotels so they can play it during the week of so that their guests can kind of see what's coming and be able to participate in the event. New this year, we had a substantial radio purchase with iHeart radio, not only for air time, but also talent that was part of the parade. And then promotional package giveaways that we were able to provide on air. And then we did receive some free radio trade with KLOVE and KHOT. Just really expanding where we were, combined value of over \$41,000.

[Time: 00:14:15]

Again this year we partnered with the national street teams and they provided the poster contribution and the rack card distribution for us. They really donated their services for us and participated in the committee. The value is priceless. We are a small rag-tag group of people that are putting on this event every year. And we all have full-time jobs. So being able to partner with another entity that's able to help us get the word out was for us, priceless.

We also worked with Key Magazine. You received a copy of that as well that, we were able to obtain an ad in it, as well as they contributed it to 200 hotels with rack cards. Again, increasing the exposure for the event. And we do cross-promotion. It wasn't just about the parade. It was about all the other events during western week. Again the cost to us was \$500 but the value priceless. We had livestreaming during the entire parade, powered by [azfamily.com](http://azfamily.com), channels 3 and 5 and we had eight live weather segments that morning. So they were able to let people know if you are up early, come on down, there's a great event going on. Again, value \$34,000. I won't click on these links.

There are still post-event slide shows going on, both Scottsdale independent and [azcentral.com](http://azcentral.com) about the event. So people can click on these links and see photos of the event for that day. Television coverage, we had an "AZ Daily Mix" segment, with Pat McMahon. We had A.M. hits on channel 15, channel 10, incorporating Cavalierre Welding. That was just a great backdrop that we had for those segments, as well as we had channel 12 news hits on the pre-parade and city cable 11 over \$40,000 of value there. Then these are some quick snapshots of photos of groups and the events. I think I recognize a few people up there. Gaylord Perry receiving his honorary Grand Marshall award. I believe these are the Charros and Pueblo Elementary, one of our schools, and then some Folklorico dancers that we had as entries as well as entertainment at the end. Now, we are getting to the key part of our show here. Our presentation. What I would like to do is call up Reed Pryor and Terry Erickson.

[Time: 00:17:01]

Community Services has won the best city department representation for the Parada Del Sol. Come on up, guys. So we have, yeah. Go ahead up front there. We have two traveling trophies that we will present every year. One for the best city representation and one for the best school representation. So Community Services combined with Parks and Rec, Library, Human Services, received the first annual Parada Del Sol best city presentation. So congratulations! So they will have the opportunity of keeping and displaying that trophy for the year. We will want it back. Before the next year's event.

And we will award the next one. Then the next one I would like to award is, let's see, that was best city. The next one is for the best school representation. And that's Arcadia High School, Ingleside Middle School and Echo Canyon Middle School and we have Todd Fisher, president of Arcadia High School to accept the award. And last but not least, our best overall trophy, this ended up being a first time entry, as well as receiving this very prestigious award. If I can have Chief Tom Shannon and Sasha Weller come forward, the best overall presentation was for the Scottsdale Fire Department Honor Guard Pipes and Drums. Thanks, guys. You got it. So that kind of wraps up our event for the year. We are in the process of submitting our final paperwork for the city. And we're looking forward to 2019. February 9<sup>th</sup>, I believe is the second Saturday of the month. So February 9<sup>th</sup>, 2019, will be the 2019 Parada Del Sol parade. And with that, thank you so much for giving us this opportunity to brag about our little event and I look forward to our continued partnership with the city. So thank you.

Mayor Lane: Thank you, Wendy. And the entire crew. Fantastic job, and ever growing and more magnificent. Well, you know, there's another thing we may want to just add, and that is for the first time ever, all tribes were represented at the Indian festival here in Scottsdale on the same weekend as the Parada. It was really quite a combined event on that Saturday. It was really nice and I know they very much appreciate it and participated in a large scale in the parade. That was very nice for our tribal communities. So thank you very much for all of that.

#### **PUBLIC COMMENT**

[Time: 00:20:28]

Mayor Lane: Next order of business is our Public Comment. Public comment is reserved for citizen comments on non-agendized items that are within the Council's jurisdiction. And speakers are limited to three minutes and we do have the capacity to take five Public Comment cards. We have one at this point in time. So we will go ahead and call Mr. Mark Stuart to the podium.

[Time: 00:21:41]

Mark Stuart: Are you guys ready? I'm Mark Stuart. I'm the chairman of the Save Our Preserve ballot initiative committee and it's time for the March 2018 Save Our Preserve ballot initiative update.

Mother nature is the only developer that should ever change the Preserve without voter approval. All other changes should be approved by Scottsdale voters, the owners of the Preserve. Walk with me for a minute, close your eyes. Take a deep breath and imagine that you just awakened from a cryogenic slumber in the year 2068. You walk out your front door at Wingate Ranch and head east towards the Gateway Trailhead. You look east and see a spectacular view of the McDowell mountains and the Preserve. Although you have been sleeping for 50 years, the view and the ambience of the Preserve remain unchanged. You look west and see bumper-to-bumper traffic on every road going north and south. On Scottsdale Road and Pima Roads, you see skyscrapers, 50-story buildings stretching from Frank Lloyd Wright, all the way to Carefree highway.

You feel sad. You turn back east and start walking towards the Preserve. Now you remember the Save Our Preserve charter amendment. You pause for a moment and thank God that the voters realized that some things should never be changed. You thank God that the voters realized some things should never be changed. You thank God that mother nature is the only developer allowed to change the Preserve. This vision describes the motivation and the goal for the Save Our Preserve charter amendment. I'm here today to ask you to act on a citizens petition. And send the Save Our Preserve charter amendment directly to the voters for approval.

[Time: 00:23:49]

A copy of this petition and the charter amendment is attached. I hope that you place this issue on the March 20<sup>th</sup> agenda and vote to place it on the November 2018 ballot. I would like to take a minute to briefly summarize the petition for you. If you look at page 3, you see a random sample from the 14,000 signatures we have so far, just names and ZIP codes. For obviously reasons I couldn't bring in all 1400 pages. If you look at page 5, you see a letter from our attorney to the attorneys representing the city, and in that letter he explains why it's in the best interest of the city for the City Council to directly send this thing to the voters.

I would just like you to note one thing, in the last decade, this City Council and prior City Councils have sent approximately 20 charter amendments to directly to the voters. We're asking you to do what you have done many times before and let me end on this one high note. Kids love signing petitions. And even kids know that only mother nature should be developing in the Preserve. Thank you for your time. I hope you will place this on agenda and I hope you will do what's right for our community.

Mayor Lane: Thank you, Mr. Stuart. That completes the Public Comment, the public testimony at this point in time.

## **MINUTES**

[Time: 00:25:22]

Mayor Lane: The next order of business is a request to approve the Regular Meeting minutes of February 13<sup>th</sup>, 2018 and Work Study session minutes of February 13<sup>th</sup>, 2018. Unless there are any



comments or questions, I would ask for a motion to approve.

Vice Mayor Korte: So moved.

Mayor Lane: The motion has been made and seconded. No further comments are indicated. We are now ready to vote. All those in favor, please indicate by aye and register your vote. Aye. The minutes are passed unanimously.

### **CONSENT AGENDA**

[Time: 00:25:53]

Mayor Lane: Move on to our Consent Items, 1 through 13. And I have one request to speak on Item 5 from John Berry. Just for the record this is the Optima, Sonoran Village abandonment, 3-AB-2010 number 2, and adopt Resolution 11024, authorizing the abandonment of the 10-foot right-of-way easement located along the south property line of a property with downtown regional commercial office, type 2, planned block development overlay. Mr. Berry.

[Time: 00:26:46]

Applicant John Berry: From the applicant's perspective, no need to remove it from the Consent Agenda and speaking for the record, your ever efficient city clerk has contributed to the city clerk, city staff and to each of you a copy of a letter that Optima has entered into with the adjacent neighbors. And just wanted you to have those in the record and we made a commitment to the neighbors that we would enter that into the record and happy to answer any questions, but thank you very much for your time. Appreciate it.

Mayor Lane: Thank you, Mr. Berry. Any questions? Yes, Councilwoman Littlefield? Okay. Then do you have a motion or a request to speak.

Councilwoman Littlefield: I wanted to pull Item 8.

Mayor Lane: All right, Item number 8 is the item planned shared development condos, La Via, text amendment, a request to adopt Ordinance number 4333, approving a text amendment to the city of Scottsdale zoning Ordinance 455 to amend Article VI. We will take that outside of our Consent Agenda and Vice Mayor Korte.

Vice Mayor Korte: Yes, I move to approve Consent Agenda items with the exception of Item number 8.

Councilwoman Milhaver: Seconded.

Mayor Lane: The motion has been made and seconded. We have that motion and we are now ready to vote. All of those in favor, please indicate by aye and register your vote. Aye. It's

unanimous for Items 1 through 13 absent number eight which is moved to the Regular Agenda.

**REGULAR AGENDA**

Mayor Lane: We will move to that item as we move to the Regular Agenda items. And ask staff for a presentation on Item 8.

[Time: 00:29:21]

Senior Planner Bryan Cluff: Good evening, Mayor and member of the Council my name is Bryan Cluff. And this is case 7-TA-2017. Just some quick background, the City Council adopted the PSD overlay district. The purpose of the PSD is to provide the opportunity for the application of development standards to a property as defined by its perimeter rather than the individual lots in a mix use or planned development setting. Essentially it's allowing the sharing of development standards within the development. The request tonight is an applicant initiated text amendment, which proposed to allow condominium and time share types of ownership within the planned share development district.

These types of ownerships were originally excluded from the district due to the potential complications associated with documenting the shared development standards with all the condominium owners. The applicants proposing as part of this amendment that this be handled through condo timeshare owners delegating the authority to an association to represent the ownership interest for the rights associated with the plans share development district. The text amendment doesn't propose any changes in allowed land uses as it references the underlying zoning district designation for uses as well as development standards. This is a map that identifies the existing PSD district locations within the city. On the left, you will see the overall city map with three leaders identifying the three properties within the city that do have the PSD zoning designation, and on the right is a closer look of those three properties, which are all on Scottsdale Road near the 101. That concludes staff's presentation. I would be happy to answer any questions and the applicant is also available.

Mayor Lane: Okay. Well, I guess I would ask Councilwoman Littlefield if you would like to have the applicant speak or do you have questions of staff.

Councilwoman Littlefield: Do you want to speak? Yes, thank you.

[Time: 00:31:49]

Applicant John Berry: Mayor, members of the Council, John Berry, staff did a great job of giving a brief presentation and overview. This does not change any land uses on the piece of property. So it's not adding a new land use to any pieces of property. We really discovered this in the course of trying to bring to fruition continuing our efforts to bring to fruition the La Via development and part of that plan is to have a luxury hotel with luxury condominiums integrated on the top of the building. The airport and the character area plan call for mixed uses on the same piece of property. But unfortunately, with the old text, the current zoning ordinance, we could not legally find a way to

integrate condominiums into the same building as a hotel. So that's where kind of an oversight in the course of the original adoption of this ordinance in 2016 came to light. So it's really designed to further the city's goal of allowing mixed use integrated uses in the same building. It's really a technical issue to allow that type of integration of uses to occur. I'm happy to answer any questions. Thank you.

Mayor Lane: Thank you, Mr. Berry. Do we have any questions of the Council? I'm sorry. I was looking at my screen and it's not there. It still isn't. Councilwoman Littlefield?

[Time: 00:33:21]

Councilwoman Littlefield: Yes. I had a couple of questions. Really, this is more for staff than for Mr. Berry, although if he prefers to answer, that's fine. I have a bit of a heartburn when it comes to text amendments because it can affect other land uses other than the one that you are dealing with directly. And sometimes there can be unintended consequences from that. So my question is: On these three other pieces of PSD land pieces which he showed us on the map, do they currently allow time shares and condos on there? And, I know you said in your, in your statements to us, that you had contacted all of the owners around the original piece of property that Mr. Berry is representing, have you contacted the owner of these other pieces that have, have residence near them, especially the one that's most north off Grayhawk? Have they been contacted that this change will allow timeshare usage on that property?

Bryan Cluff: Mayor Lane, members of the Council, and Councilwoman Littlefield, to answer the first part of your question, with regard to the additional land uses and whether condos and time shares are currently allowed. Prior to the timeshare on those properties, there as no prohibition of condominiums or timeshares. Since the PSD overlay is on the property, now the condominium type of ownership is not allowed, however, the residential land uses are permitted and the condominiums can be in both a residential and commercial setting. So there's not any additional land use being allowed. It's just the different type of ownership in the form of a condominium or a time share. And with regard to the property notifications, the only property that was notified around the surrounding perimeter was the property associated with the application that the applicant filed. In addition to that, our interested parties list that had requested to be notified by text amendments and that's a citywide notification for the people on that list.

Councilwoman Littlefield: Okay. So the residents around the most northern one off Grayhawk drive were not particularly notified that this was going into effect?

Bryan Cluff: Mayor Lane and members of the Council, that's correct, unless they were on that list. Any specific change to those properties going forward in the future, any material change would require a notification.

Councilwoman Littlefield: Okay. What would you qualify as a material change?

Bryan Cluff: If there was the addition of condominiums in those properties, it would require a

notification because that would trigger an amendment to the development agreement that's associated with the plan share development district.

Councilwoman Littlefield: And the timeshares. Would that also include that?

Bryan Cluff: Yes, it would.

Councilwoman Littlefield: I think my concern is that these people might be affected by this change. They are, according to the map, right there, bordering that one piece of property. And they haven't been notified that this might be going into effect. So I have a real heartburn with that. But, and this, I think that's, that's really one of my concerns with text amendments in general, is any piece of property that's affected by it, the people that live near it should be notified before those changes go into effect. Thank you.

[Time: 00:37:33]

John Berry: Mayor, Councilman, can I clarify one thing for Councilwoman Littlefield, and that is that these properties can have residential of the same density and height as any condominium or timeshare. All it is saying is that you can use condominium as a form of ownership for that same building. It's the exact same building, the exact same height and density, but you can use a form of ownership of the condominium for that. Just to clarify, it doesn't add any new land uses. It simply allows another form of ownership besides fee ownership. It would allow condominium ownership. So thank you.

Mayor Lane: Thank you, Mr. Berry. And Councilwoman Littlefield.

Vice Mayor Korte: I move to adopt Ordinance number 4333, approving a text amendment to text amendment, Section 6.1400.

Councilwoman Milhaven: Second.

Mayor Lane: The motion has been made and seconded by Councilwoman Milhaven. Seeing no other comments I think we are ready to vote. All of those in favor, please indicate by aye. And register your vote and if you oppose. Aye. The motion passes 6-1 with Councilwoman Littlefield opposing.

John Berry: Thank you all.

Mayor Lane: Thank you, Mr. Berry. All right. We will move on to the regular, Regular Agenda items.

#### **ITEM 14 - EMPLOYEE MEDICAL PLANS AND PREMIUMS**

Mayor Lane: And start with Item 14, Employee Medical Plans and Premiums, and the presenter is

Lauran Beebe, our Human Resource Manager. Welcome.

[Time: 00:39:10]

Human Resources Manager Lauran Beebe: Hi, good evening Mayor and members of Council. I'm Lauran Beebe and I'm here to present the 2018/19 medical and dental premium plan recommendations. We continue to strive to increase employee communication and engagement. Each month a total benefit advisory committee with about 30 members attends meetings to discuss monthly claims and health risk assessment data. Outcomes based wellness incentives preventative dental incentives, surrounding city benefit comparisons, pharmacy cost saving ideas along with the 18/19 rate plan and design options.

The biweekly bulletin highlights the items discussed with TBAC and tips with how to navigate the various health plans. TBAC was supportive of the recommended option we are presenting tonight. Staff presented in recommendation to the benefits coordinating committee members. The BCC is also in support of this recommendation. Staff also continues to send information and updates regarding benefits to about 600 home email addresses each month.

The medical plan currently is 2,144 covered employees with about 5600 members. We continue to have a risk adverse culture with 68% of our employees enrolled in the Cigna OAP and network plan. If we made no changes and continue with the planned design as it is today, we would experience an overall 7.3% increase or \$30.5 million in expected medical costs. The recommended changes result in an 8.1% increase, with a \$30.8 million in expected medical costs. There are several components that TBAC will discuss, that I will review in the following slides.

[Time: 00:41:10]

First TBAC looked at several wellness incentives to help employees better understand their needs. Our claims and health risk assessment data revealed that 33% of our population has a chronic disease. Our number one chronic disease continues to be high blood pressure, and it affects 11% of our membership. So the committee decided that we should continue with the high blood pressure incentive to employees and extend it to spouses. The employee and/or spouse would receive a \$20 a month incentive if they meet the target of 140 over 90 or any of the alternative options such as meeting with their online coach. This is coupled with the health risk assessment which is helpful for employees to become more aware of their health employees will earn an incentive payment of \$120 if their spouse completes the HRA, it will be \$240.

There are a couple of change and additions that the committee supports. First, reducing the physical therapy and chiropractic visits from \$40 to \$30 to ensure members are getting the recommended therapy appointments and are not skipping them due to cost. The committee also recommended adding naturopathic and acupuncture to the plan. With these choices they will have enhanced choices and benefits to meet their needs and it promotes workplace equality which benefits us all.

Several studies link oral health with overall health. Research is linked complications of heart disease,

stroke, diabetes to gum disease. By encouraging members to visit the dentist yearly, overall health will improve and total complications could go down. TBAC reviewed various dental plan and recommended two. First to remove the \$50 deductible if a member goes and visits their dentist for the preventative cleanings. Second, if a member has at least one cleaning per year, \$200 will be added to their annual out-of-pocket maximum. It will cap after three years or \$2,100. These planned design changes result in a small overall 3.2% increase.

In fiscal year '17/18, total overall medical expected, expected medical and dental costs were \$30 million. Employees contributed \$7.3 million, and the city contributed \$22.7 million. For fiscal year '18/19, the total expected medical and dental costs are projected to be a total of \$32.2 million. Employees would contribute 7.6 million, and the city would contribute 24.6 million. As mentioned on earlier slides, TBAC, the BCC and the City Manager all support this recommendation.

Tonight, we are asking you to adopt Resolution 11041, which will increase the city's share of active employee medical premiums by \$30 to \$140 a month, increase the employee's medical premiums by \$6 to \$30 a month, adopt all of the plan options shown on Exhibit A, with the recommended option number one, and increase the active employee dental PPO premiums by 3.2%. I'm prepared to answer any questions you have and we also have Cigna and Hayes consultants in the audience this evening.

[Time: 00:45:00]

Mayor Lane: Well thank you, Lauran. I'm sure we may have some questions. We do not have any cards on it at this point in time. Until maybe others maybe have some questions, I wanted to ask you that I see between '17 and '18, the overall medical and dental plan cost is \$30 million, with the city and the taxpayers at 22.7 of that figure and 2018/19, the taxpayers will be at 24.6, so not quite a \$2 million increase. My question is, I know that there's a 7.2 percentage but what was the dollar figure of change, same to same from the past policy year versus what is now indicated at the '17/18 policy? In other words with the same coverage?

Lauran Beebe: Mayor, members of the Council, I don't have a dollar figure, but the, if you are referring to a couple of years ago.....

Mayor Lane: I'm talking about the year that we are in right now, its costs of the employer's portion, if you will, what was it in the current year versus what we're paying, or what we are suggesting here for the '18/19.

Lauran Beebe: Mayor, members of Council, the city contribution or the taxpayer contribution for the current year is \$22.7 million.

Mayor Lane: Well, then it's exactly the same as, oh, I'm sorry. Yes, it is '17/18, I'm sorry. I have my years off. So it is approximately, but that is, is that the same or is that what is recommended with the changes.

Lauran Beebe: Mayor, members of Council, that's what we adopted last fiscal year. Those are the contributions that we are taking in.

Mayor Lane: Okay. And so the 24.6 for the total of \$22.2 million, is that the same as the current policy or is it with the amended coverages?

Lauran Beebe: Mayor, members of Council, that includes the added options we discussed in the recommended option number one.

Mayor Lane: Okay. So the total added of 7.2% as we are talking about, is approximately \$1.9 million?

Lauran Beebe: Mayor, members of Council, yes, that's correct.

Mayor Lane: With the new coverage? That's with the new coverage. If it was same to same, what would it have been?

Lauran Beebe: About a \$300,000 difference.

[Time: 00:47:36]

Mayor Lane: Okay. And so that makes up the change in the copay for chiropractic from 30 to 40, and adding the naturopathic and the transgender medical benefits?

Lauran Beebe: Mayor, members of Council, and the blood pressure incentive for are spouses.

Mayor Lane: Okay. So what I have here are just simply the changes in coverages, not necessarily incentives as far as the high blood pressure and that?

Lauran Beebe: That \$300,000 includes both the incentive and the options.

Mayor Lane: Okay. All right. Very good. Thank you. So for about \$300,000, we have encompasses and included all of those coverages.

Lauran Beebe: Mayor, members of Council, yes, that's correct.

Mayor Lane: Did that include any, I'm not sure how we do as a self-insured entity, but does that include additional reserves for anticipated usage of these new coverages.

Lauran Beebe: Mayor and members of Council, Hayes is here this evening. This is a complicated actuarial value that they place and they do trend and do a look back of our claims to come up with what they predict we will spend next year.

Mayor Lane: Well, I don't know if Hayes is available to answer just that question, if that's possible.

And I'm thinking about this in the simplest of terms. I know this can get complicated. I guess what we are thinking about, as this comes on and gets utilized, it will probably add more and more to our ,not only our coverages and our costs and thus our overall costs in the, for the policy.

Consultant Charlie Broucek: Mayor and members of Council, yes, we have projected \$300,000 would be encompassing of the additional reserves, as well as the current year utilization.

Mayor Lane: For the, okay. So for the current year, plus some reserve component for it as well?

Charlie Broucek: Yes. We will project on an annual basis, but we considered that as part of our calculation.

Mayor Lane: Okay. Thank you. Councilman Smith.

[Time: 00:49:55]

Councilman Smith: Thank you, Mayor. If I can have you go back a slide, and I may be asking some questions that are repetitive of what the Mayor asked here to understand the numbers. But clearly between the first major bullet point and the second, the costs have gone up \$2.2 million or projected to go up 2.2; is that right? And it is going to be 300,000 more for the employees and 1.9 for the city. I want to be clear that the public understands you referred to these city costs as being what the taxpayers' contribution is going to be. This is really citywide. So some of it is coming out of taxes paid and some of it is coming out of water department revenues because these are enterprise costs; is that correct?

Lauran Beebe: Mayor, members of Council, yes, that's correct.

Councilman Smith: Can you, can you estimate for people what the General Fund impact would be of these numbers versus what is being charged to the water company and the air forth and all the other enterprise?

Lauran Beebe: Mayor and members of Council, Councilman Smith, I believe you are talking about the total operating budget of \$611.4 million, and using '18/19 as a base, budget came up with healthcare expenses are costing the city about 3.9% of the total operating budget.

Councilman Smith: That wasn't exactly the question I was asking. That's a good number to know as well. It helps the public put the number in a frame of reference. What I was really asking is that oftentimes when we sit here and debate increasing costs in the city, we talk about those things that are going to affect the General Fund. And that's the fun that provides Police and Fire and libraries and all of that sort of thing. And we oftentimes set aside elsewhere the costs that are happening over at, as you will the water company because we know that they will be doing this through rate increases of the water program. So my question really was out of the 30 million this year, or out of the \$32.2 million next year, how much is the General Fund portion? And somebody can make a wild stab at that. Here comes Ms. Doyle to the rescue.



[Time: 00:52:53]

Budget Director Judy Doyle: Good evening Mayor and members of the Council, I have not done the calculation, however, I think about 77% of our FTEs, full-time employees, are in the General Fund. So I would anticipate that \$2.2 million increase to be about 1.7 million. For the General Fund.

Councilman Smith: Okay. When you come back with the budget in a few weeks, you will identify that as one of the spike numbers, if you will, that has to be dealt with in this coming year in the General Fund.

Judy Doyle: Absolutely.

Councilman Smith: But it's not the whole 2.2 million. The second question I have, I know that we have, and you stated in the Council report, the objective to, as much as we can, migrate back to the sharing ratios that we established a number of years ago, 80% of the basic program for the city and 20% for the employee and then other things for the spouses and so on. If I look at this number this year, it looks like the city employees' cost is going up \$300,000, and the cities cost is going up \$1.9 million. And that would suggest that the employees are picking up, only, 12, 13%, something like that as a percent of the total package. Can or maybe even our consultant here, Charlie, tell us, is this migration in planned participation or why would the employees be picking up only my estimate, 12 to 15% of the next year's cost increase?

[Time: 00:54:42]

City Manager Jim Thompson: Mayor and members of Council, we offer multiple plans. There are four different plans that we offer. Some of the ones that we're incentivizing at one time, we are starting to back that incentive back out. The portion that the city pays is higher than the 80%. The one that a majority of our employees participate in that haven't migrated to the higher deductible plans is actually less than 80% and when you average that out, that's why you are coming up with the number you are and I'm sure the consultant can provide more details to that and that's one of the things we are trying to equalize because we did do that. We had higher percentages paid by the city on the higher deduct I believe plans. We are starting to equalize that out, so there's an even spread amongst those plans but currently, that's not the case, but we are moving back in that direction to achieve that and that's why it was so noted.

Councilman Smith: And applaud trying to move back to the cost-sharing ratios. That's good. And just keep an eye on the sharing of the incremental costs for next year and make sure that we do understand why they don't seem to represent that trend. But maybe we are getting there for complicated reasons. That's all I have, Mayor.

Mayor Lane: Thank you, Councilman. Seeing no further questions on the matter at this point in time, I would just like to just add that I really appreciate the work that's done on this, and sometimes, and I know there's one recommended way to go and that's with the changes and I trust that there's a

call for these types of changes, and so with that, and that we studied to go in the future, I'm, with that, I'm sorry. Councilman Phillips do you have a motion and/or additional comment or a comment, I should say.

Councilman Phillips: Just a motion, Mayor.

Mayor Lane: Councilman Phillips.

[Time: 00:56:39]

Councilman Phillips: I move to adopt Resolution 11041.

Vice Mayor Korte: Second.

Mayor Lane: The motion has been made and seconded. Seeing no further requests to speak on, it I think we are ready to vote. All of those in favor, please indicate by aye. And those opposed with a nay. Aye. It's unanimous. Thank you very much, Lauran. I appreciate it.

Lauran Beebe: Thank you.

**ITEM 15 - CITY'S PROPOSED FISCAL YEAR 2018/19 RATES AND FEES**

[Time: 00:57:07]

Mayor Lane: The next order of business is Item 15, the city's proposed fiscal year 2018/19 rates and fees and we have our illustrious City Manager, Jim Thompson here to present.

[Time: 00:57:20]

City Manager Jim Thompson: Just the beginning of it.

Mayor Lane: Do the introductions then.

Jim Thompson: I will do introductions. But I want to give you a quick overview. This year we changed our process a little bit in our budget preparation and one of that was to go into greater depth of our fees. And we have asked all the departments, that's why you will have probably a little longer presentation than you have historically to look at the fees in much greater detail. So we look at, you know, operational side and our expense side. We tend to spend a large amount of time on that portion but I asked them to spend just as much time on the revenue side so at the start of every one of our budget meetings we talked about all of our fees in place and we started to have some, what I would consider much greater detailed discussion than we have had in the past. Number one to look on those, at those on an annual basis, and then to adjust any for various reasons. There's multiple reasons why we would adjust. So you will probably have a little bit longer presentation this evening than you have in the past, and I would suspect next year, a similar scenario, as we start to really

concentrate on both sides of our budget equation, which is the revenue as well as the expense. So I appreciate that, and this evening, I think we are going utilities first and Brian Biesemeyer will be the first up. Thank you.

[Time: 00:58:46]

Water Resources Director Brian Biesemeyer: Good evening, Mayor and Council, Brian Biesemeyer, your Scottsdale water director. And I have the pleasure of being first presenter and the first presenter on the enterprise funds as well. As you recall, our enterprise funds recover all the direct and indirect costs that services through the rates and fees. My discussion will be on our water and sewer and, I represent water, sewer and contractual funds, however, I'm only talking about water and sewer rates at this time. For cost drivers, traditionally our major cost factors are really four fold. That's our personnel services, our power, our chemicals and our contractual services. Within those on the operational side, the areas that we see increasing the most or you will see on our operation budget increasing our supervisory control and data acquisition, which is SCADA and it controls our systems that we have remotely throughout the city. It's an important factor as we get more efficient and we have more of these remote controls, we find we need an additional staff to take care of that. Also like most I.T., we need software upgrades from time to time. And that's driving that cost factor.

The other one is our sewer system condition assessment in the town of Paradise Valley. And that will increase our operational budget but we have an offset through our contract with our I.G.A. with the town of Paradise Valley while our operational budget goes up in that area, our revenues, we have an offset in revenues there. On the capital side, there's four areas that are impacting our increased capital and that's growth driven system expansion, however, just like I mentioned with Paradise Valley, the offset in that is our impact fees. The other areas are replacement and rehab and water quality improvements.

These, so on the growth driven ones, two of the main, or the larger ones crossroads of the east and the zone 14/16 water system expansion, over, particularly over the next five years. And, again, these are offset through impact fees. Rehab and replacement, the most significant budget area I have in our capital program is rehab and replacement. We have an extensive water and wastewater system, over 2,000 miles of water mains, 1400 miles of sewer mains, as well as a number of pumps, lift stations, valves, hydrants that all need to be maintained.

The first one is a membrane replacement program for our advanced water treatment and sewer treatment membranes which are integral to our wastewater treatment. Our SROG, that's a subregional operating group and that's part of a five-city consortium and the south Scottsdale wastewater flows are treated through this consortium of five cities which include Phoenix, Mesa, Tempe and Glendale and Scottsdale. And this is our contribution to our share of that system, this collection entry. And then we have our own system, the sewer system and water distribution system improvements.

And then on technology and security, one of the major parts of our technology is our way of communicating to our remote sites and that's our radio telemetry, monitoring.

We also have a water meter replacement program going about where we are replacing our manual water, manual meters, with automated meters so that we can collect those remotely, improves our efficiency and improves data we can provide to the customers. Then we have some security enhancements to ensure our facilities are secure and safe. And then two water quality improvement programs that are not a new ask for this year but are significant in the five-year cost to our programs and that's the Chaparral water treatment plant, pretreatment program which gives us the ability to treat water in the SRP canal that's been degraded through storms in the salt and Verde River sheds.

And then our Thomas Road treatment facility that allows us to continue to use wells in the south part of Scottsdale. As part of our capital programming, we also have financing requirements for MPC bond issues and forecasting year 2021 and 23/24 for a total of both years of \$45 million. What we were asking for, for rate increases, the water rate increase, a sewer rate increase and one fee increase which is a commercial water hauler-based fee, from \$10 to \$15. Overall, the increases we were asking for is 2.8% on the water side. 1.5% on the sewer for a combined total of both the 2.5%.

[Time: 01:04:22]

We are asking for both an increase in the base and the volumetric charges on the water side. Our base fee is established to provide as representation of providing service 24/7, to our customers, and is based on the volume allowed by each meter size. So in the smaller size, we are asking for a 50-cent increase and then that goes up as meter size increases. On the volumetric side for residential customers, we are asking for an increase in tiers 3, 4, and 5. And from 5 cents in Tier 3 and 4 up in Tier 5. On the commercial side where we have four tiers we are asking for increases in tiers 3 and 4. On the sewer side, we are also asking for increases in both the base and the volumetric charges and on the sewer side, the base fees are based on meter size with the three smallest meters, our residential meters set in a single rate.

But, again, it's based on the volume that the meter can provide to the, to that commercial establishment and the amount that can be collected back through the sewer system. The volumetric rates are based on three-month winter average and 90% of that three-month winter average and additionally, they are separated customer categories that represent the strength of the wastewater that comes back to us. The increases are at 2 cents for our strongest, for the category with the highest charge or the strongest wastewater restaurants and bakeries, down to 1 cent for a single family and multifamily residence.

A little bit of history, in our rates, the last four years, and if we include this year's rate increase in that, you can see our five-year average increase for water is 1.4%, for sewer is 1.1%, and overall combined is 1.3%. Again, we set our rates based on our costs and only our costs but we do like to see how we are doing for efficiencies in comparison to others. So on a national trend, the water, sewer and tri-CPI, I would have liked to compare us to both the water and sewer CPI, but that does not exist. So on the water, city and tri-CPI, you can see in green and you can see our water and sewer costs in the orange or the yellow line there.

And then again we also like to see how we compare to other valley cities, just for the comparative costs, and you can see for a typical residential customer that uses 11,500 gallons of water and 8,000 gallons of sewer, the increase we were asking for is, would account for 83 cents per month for this customer and it, and it shows us moving over.

Current Tempe rate, moving a little bit to the right, however, I got some more information on that. Then for a larger meter, one inch meter, using 17,000 gallons of water, 12,000 gallons on the sewer side, you can see that increase represents \$1.47 increase per month. And then we, we move over the city of Peoria. All right. If you can put up the Elmo. So you can see that, these are from staff, and the different cities on what they anticipate the rate increases that they will be asking of their Councils. Tempe is considering a 4.25% increase, and Peoria a similar increase to ours on the water and sewer. So I guess point is, I'm confident that next year when I'm up here, you will see us slide back more to the left, to be a little more price competitive. Just to give you an idea of other increases that other cities are contemplating as we go forward. And with that, it concludes my presentation pending your questions.

Mayor Lane: Thank you, Mr. Biesemeyer. I see no questions at this time. So thank you very much.

Brian Biesemeyer: Thank you, Mayor and Council. I will be followed by Dan Worth.

Mayor Lane: All righty.

[Time: 01:09:38]

Public Works Director Dan Worth: Good evening Mayor and Council.

Mayor Lane: Mr. Worth, welcome.

Dan Worth: I am going to talk to you about the other enterprise, well, one of the two other enterprises, solid waste. I want to start with a little bit of background. I want to go back to 2016 and '17, which was the last rate increase we had and talk about some things that have happened since then. One of those things you gave us some direction in 2016, to do some strategic planning. I want to give you an update on that process, and some of the things that we found and then I want to tie that back to the 2018/19 rate proposal that I will be presenting to you.

So the background, if I go back to 2016/17, the chart on the top half of this slide shows where we were, and the key points here residential revenue versus expenses. We were running a surplus, but it was getting smaller, smaller and smaller and we were anticipating hitting a deficit in one of the out years. On the commercial program, revenue versus expenses, we were losing money. In 2016, we recognized this. We knew that it was happening. We had a fund balance that allowed us to sustain this for a period of time, but we knew it was not unsustainable long term.

So we got a rate study done. And the result of that rate study was that we came and asked you for

some pretty substantial increases on the commercial side. We didn't ask for a rate increase on residential. We told that you that was coming but we wanted some immediate help on the commercial side. We asked for two years of 15% increases on our front loader accounts which is the bulk of the commercial program. It's about 70% of the program. We also asked for some pretty substantial increases in our roll-off and our recycling lines of service. This chart shows what the revenue picture would look like if we would have gotten everything we asked for. Still, generating a surplus on residential and the out year and this is where the residential rate increase would come and we would be back to generating a surplus. A two-year sequence to get rid of the deficit on the commercial program. The bullets at the bottom show what you actually provided, what you approved.

You approved the first year only and that's because we are only approving one year at a time but you approved the first year of the two years of 15% increases on the commercial front loaders. That improved the roll-off line of service which was substantial. You did not approve the increases that we asked for on the commercial recycling. And coupled with that, there was a desire to promote recycling and to continue to make that more attractive to the community coupled with that decision, you gave us the direction to develop our strategic plan and I want to give you an update on that strategic planning effort.

First off, we are not complete. I'm not asking for an adoption. Although we do have what I would consider to be about a 90% draft. We are very close. We are not quite there and I will address that a little bit later. But this is the motion you approved in May of 2016, a couple of pieces of this, I think, are important. You use the word "vision." You are obviously telling us to look forward. And then the phrase "community values." We interpreted this to mean that I'm not coming up with just a solid waste department business plan.

[Time: 01:13:11]

I'm actually coming up with something that the broader community would agree with, as far as what we want to be when it comes to solid waste recycling and related items. If we wanted to determine what the community wants, what those community values are, we thought the starting point, logical starting point was the general plan. So we took a dive into the draft general plan as it existed at the time. And I'm just going to go quickly through a couple of slides to show you how we pulled information out of that general plan to form the nucleus of our strategic plan. The general plan has eight chapters. Three of them have stuff in them that have to do directly with solid waste and recycling.

And you see the three chapters up here. I can drill down into, for example, I'm drilling down into the environment chapter. The environment chapter has several elements, actually three elements that had information that dealt with recycling and solid waste. And you can drill down into those elements. This is one of them, environmental planning element and there are multiple goals. That goal at the bottom, maximize resource recovery and reuse and recycling, that's probably the most important statement in the general plan about the strategic planning that we are doing. And if you drill down into that, there's a whole bunch of policies, supporting policies and the idea is in the general

plan if we pursue these supporting policies, we will achieve that goal.

We looked at all of these elements and goals and policies and in some cases we combined some, and we made some modifications but these policies in essence formed the basis for what became the heart of the strategic plan. We derived eight strategic plan policies based on that general plan crosswalk. I won't go through each one in detail, but there are two groups. The first four are all about diversion. They are all about taking stuff out of our waste stream and doing something else with it, besides putting it in the landfill. We are looking at different areas to do it. Single family homes, apartments and condos and other commercial businesses. And there's a reason for segregating those out and different targets and different players involve. It's all about diversion. The other four policies at the bottom are more about focusing on some particular aspects, particular areas.

There's one that deals with construction waste and one that deals with organics but different particular areas that lend themselves to different solutions, but these were the, this is the crux of the plan, eight different policies. That's the framework. Once we had the framework, we wanted to take it on the road. It is a community plan that's supposed to reflect the community's vision. We wanted to go out and get community input on the plan. So that's what we did.

[Time: 01:16:07]

You can see a list of boards and commissions that we went and talked to. All of these have some impact or role regarding one or more of the proposed objectives. We talked to all of them and got some great input. You can see on the lower half of the slide, other stakeholders, the community plan. It's not just my department's business plan. So we went out and talked to waste management. We went out and talked to public services and also big service providers in the industry, and the city of Scottsdale. We went out and talked to our partners and Salt River Pima Indian community and we got their input.

And then I will go back to the boards and commissions and the EQAB, the Environmental Quality Advisory Board, they took this on as kind of a mission. They have provided some tremendous help. And become experts, really, in the business. I think I have been to, I have been the featured speaker about six EQAB meetings and they usually keep me there for an hour or two or longer. We have the chair sitting here, Alisa McMahon who has led that effort. Well, they gave us 31 pages of written comments, four different sets of comments. They gave us 431 individual comments by my count and I think I'm up to all but 15 and we are still working on them. That's part of the reason why we are at 90%. They have played a huge role. And the other thing I want to point out, I'm not paying them anything to do it. I could have gone and gotten a consultant and paid \$100,000 and knocked this thing out in a year. We got the community doing it for us. Through the EQAB largely, but also you see other community players there and I think we will get a better product. The drawback, if you can call it one, is that it's just taking us a little longer time. But I think it's time well spent.

In addition to all of that outreach, we did want to hear directly from some of our customers, some of our residents and businesses. One the ways we did this was a web-based questionnaire. We got

over 1,000 responses to this. We had it out on the city website for I think over three months. I wanted to share with you some of the key things we saw. Number one, it's obvious our residents value recycling. 93% think we should be recycling. The majority of its trash. That tell me we should be putting half into the recycling stream and into the landfill. It's ambitious but 93% of our residents feel we should be recycling a lot.

And the second question there, many feel they can do more to help. Over half think that they either agree or strongly agree that they could be doing more. This is kind of a catch phrase that we are latching on to. Where do we need to do it? We need to do it everywhere. And you can see the different sectors, retail tourism, special events. We need to do it everywhere. And as an example of our efforts to try to recycle everywhere, I want to point your, bring your attention to a recent effort we did with Canal Convergence. We talked to Kim Curry Evans was planning that event, and got her to select our Solid Waste department as the recycling and refuse service provider. And she didn't have to for Canal Convergence. We turned it into an educational opportunity. We had space to have a booth and we talked about recycling. We provided some promotional materials, and we used it as a pilot.

And with the receptacles that we had out there, the promotional and the educational information that we gave, we were actually collecting up everything that people threw away. We are measuring it. We are sorting it and we achieved about an 80% diversion at that event, which is a great target for any special events that we do in the future. This is one that's a little bit eye opening to me. Residents obviously want us to recycle more. They want to be a part of it. And they are willing to pay to be a part of it, to do better. I guess it shouldn't surprise me, with what I know about Scottsdale residents but this is what they told us. Over two-thirds of them would be willing to pay between \$1 and \$3 more per month on their \$16 residential refuse bill, if we use that revenue to promote recycling and improve our diversion in the city.

[Time: 01:20:49]

So with that feedback and the public directly we refined the plan and made some modifications of the policies and the right-hand column, you can see we established an aggressive but what we feel achievable long-term objectives and quantifiable and put up as targets. And then the last thing that we had to do, was develop some proposed strategies and this is really where the bulk of the hard work is. And again, I will point to the EQAB. They have done a great service to us, helping to find some of the strategies. They looked at issues working in other communities, Environmental Protection Agency documentation and a wide range of other sources. They helped us look at the resources involved. Every one of these strategies has a cost and we have to be cognizant of that. We can't go and choose a bunch of strategies that we can't afford to do and those that we do do, we have to be able to reflect in our revenues and expenses. We came up eight policies, 60 proposed strategies groups under cumulative group under each policy.

And the last thing I want to point out about the strategic planning, we are 90%. We think we have a good product. We will take the time and effort to make it even better. There are some cases where things clearly make sense and we are not waiting to implement. The list up here are some



things that are in the plan that we are already working on that, we are already in some cases implementing. I will just give you one example.

The first item on the list, changes to brush in bulk. It became pretty obvious to us that we would send out, the brush truck goes out and picks up the route and they throw a couple of empty boxes and a piece of broken furniture out there and we throw it all in the truck. You can't take it to the green waste facility because it has stuff in there that's not green waste. And it goes to the landfill. We lose the opportunity to get it in the organics at Salt River Pima. We ask our customers, instead of giving us one pile. Put the brush here and the other stuff next to it. So we go out with a separate trip and we pick up everything else. We had a diversion rate in our brush and bulk program in 2015/16 of about 2.3%. 2.3% of what we were picking up was not going into the landfill. In the last three months of 2017, after we implemented this, we are up over 30% diversion rate on the brush and the bulk. It's already achieving huge results. When we saw something like that, there's no point in waiting. It was implemented, and make it happen.

Go back to the rate discussion. I told you about what we are presented to you two years ago. Last year, we didn't ask for anything. No rate increases. Residential, we hadn't planned on having a rate increase. That held true on the commercial program, two years ago, we told you it was going to be two 15% increases in a row. We didn't ask you to approve the second one last year. A couple of reasons we wanted more time to see the impact and there was an impact on our business from the 2016/17 rate increases. We wanted to let that settle out and see what it was. We are working on making our commercial program more efficient. We downsized the routes. We made routes themselves a little more efficient through some analysis. And we wanted to continue the strategic planning process. We were not as far along then as we are now, obviously and we wanted to continue that. We didn't ask for any rate increases last year.

[Time: 01:24:39]

The question of what's the impact on our business? This focuses on the biggest part of our commercial services, the front load. The graph shows if there was a straight line across the stop, that would be 2015/16. This is decrease in tonnage from 2015/16 as the base. And you can see at the beginning of 2016/17, to July 2016, rate increase. We lost customers. We picked up less tonnage and it was a pretty sharp drop off for the first six months, drop off gradually lessened, and we feel that we have stabilized. This is last summer. This is August, July/August of 2017 and we stabilized at a level that's pretty substantially below where we were at in 2015/16. It was 40 to 45% below where we were in terms of tonnage. But we feel it's stabilized.

The bottom part of the chart tells a different story. That's revenue. And while the tonnage has gone down, we are picking up less. Our revenue has actually increased. It increases the first year of the rate increases. It increased more the second year. And that's telling us two different things. Number one, that was the desired effect of the rate increase. We asked for 15% rate increase in 2016/17, because we needed more revenue to get the program to be less under water. So we did achieve at least part of what the desired outcome was of those rate increases. The other thing it tells us is that the customers we lost, this 40% of volume that we, that we are no longer picking up, were

the ones we were losing the most money on. Those were the customers that we were giving the biggest discounts to. Those were largely multi-container accounts.

It was apartment complexes where they had 10, 12, 13 containers and the rate structure we had three years ago, they paid the full freight for the first container and they had a gradually larger discount for all the multiple ones and they were getting up to 50% discount on some of those containers. We were losing a ton of money on those accounts. Those are the ones that when they came and said to you, 15% increase, it was more like a 40% increase to some of those accounts because of those multiple container discounts. Those are the ones that left and those were the ones we were losing money on. It was the small business account and a lot of Airpark and the ones in the single container, inefficient for the big companies to come, in the commercial competitors to come in and do.

We are still the best deal in town and they stayed with us and it's a reflection of that fact. So I think that this shows that, number one, chart above, we stabilize, and chart below, the revenues working out wait this we need them to work out. This is the projected or the proposed rate increases for 2018/19. This is aggregated. The residential rate is pretty straightforward. We are proposing a 7.8% increase. That's \$1.25 on top of the 16 month residential bill. Commercial rate, this is the blended increase. I will show you two more slides that break that out by our lines of service. But this shows the aggregate. This shows each individual line, the residential rate increases here, \$1.25.

This is the commercial front loader, 15% increase, across the board, regardless of the size of the container. This really is the second of those two 15% increases that we were proposing in 2016. The roll-off, no increase. We had a pretty dramatic increase in 2016. It reflected in our business and we lost quite a bit of business in the roll-offs but we are holding that steady. We will look at maybe changing the formula going forward, but no requests at this point to change the rate.

[Time: 01:28:51]

Recycling, we are asking for an increase. This is commercial recycling. We are not asking for anywhere near as much as we requested in 2016. We are not actually asking for enough to get us to full cost recovery on recycling the intent is to get the full cost recovery on the whole commercial program. The intent with the recycling is to cut our losses, but to keep the rate for the recycling to where it's an incentive for a customer to put items in recycling versus putting them in the trash. It costs them less for a yard of recycling than it does for a yard of trash. And that's one of the strategies in the strategic plan is to have a favorable pricing scheme that favors recycling, versus refuse. So we have maintained that. But to get closer to cost recovery it required some increases in the, in the commercial recycling lines. And this shows the increases over five years, and a key point here, this is what we are asking for. You can see the percentage increases in '18/19, and the years two through five of the five-year plan is saying that I don't want to come and stand in front of you and ask for a 15% increase ever again. We get to full cost recovery in '18/19, if we approve this proposal and then it's just keeping up with inflation and costs for both residential and commercial. Similar to the chart that Brian showed you.

This is where we stand compared to other valley communities open the residential rate and this shows

two bars, the current \$16 a no, the proposed 17.25, and I would tell you that when you consider the services that the residents get for the 17.25 monthly brush and bull, versus quarterly or semiannually and other communities or on call in other communities, the free household had a hazardous waste, the electronics recycling event and some of the other services we provide, and specialized services we still provide the best value even at 17.25.

Mayor Lane: We do have a question from Vice Mayor Korte.

[Time: 01:31:07]

Vice Mayor Korte: Thank you, Mayor. Can you go back to the proposed, whether it's the five-year increase or the proposed increases? So on the recycling carts and the 90-gallon, of course, 151% is a little astounding.

Dan Worth: It's going from \$8 to \$20.

Vice Mayor Korte: How many customers does that....

Dan Worth: I don't have a number but it's a fairly small part of the program.

Vice Mayor Korte: So most commercial customers do not recycle?

Dan Worth: I think that's a fair statement. If you look at the recycling carts and the container recycling, it's a fairly small percentage.

Vice Mayor Korte: Can you help me understand the difference between recycling cart and container recycling.

Dan Worth: It's just the means by which they do it. The carts are the same carts that we use in the residential program, a small business can put one of those carts up next to a recycling....

Vice Mayor Korte: A dumpster.

Dan Worth: A refuse dumpster if they have space and volume, that necessities it, we can provide a dumpster container and that's what the dumpster recycling is. That is for 2 cubic yard container with the rate increase, they will pay \$82 to get rid of that refuse, but they are only paying \$65 if they fill it with recycling. That's the cost incentive.

Vice Mayor Korte: Thank you.

[Time: 01:32:38]

Mayor Lane: Thank you, Vice Mayor. Dan, while I have you stopped for just a second, on slide 35, you have a point of some objectives for various policy objectives if you will, for various categories of

service. And the top one is single family residential diversion, of 50% by 2030. This is just from the standpoint of just framing this up. Do we have the necessary data right now to determine what level we are at right now in that, I'm just picking that category, just as one, but it would apply to all. Do we maintain data to determine whether or not we're, we're at 20% or we're at 70%?

Dan Worth: The answer is different for each of these. We have the data on the residential because we are the only service provider for single family residential. We are in the low 20s. For the other areas, it requires cooperation with the commercial providers, that also service, well, for multifamily residential and other commercial, we have to get numbers for Waste Management and Republic.

Mayor Lane: But we also provide commercial service as well.

Dan Worth: We do. We know what we do but we don't know what the community does.

Mayor Lane: We do know what our experience is with it.

Dan Worth: Correct.

Mayor Lane: So these on objectives can only rely on what we are working with?

Dan Worth: Mayor, the intent is that these are community objectives and we have a cooperation in place with the other service providers that allow us to track what they are doing too.

Mayor Lane: But one way or another, we can determine whether or not, it's residential, we know we are not at 50% right now. Do we know what that number is?

Dan Worth: Correct. Low 20s.

Mayor Lane: Just to frame it up. That's the only reason. I wanted to make sure. When you talk about data, you have to have a baseline somewhere.

Dan Worth: Absolutely.

Mayor Lane: And have a way to determine it. Thank you. I'm sorry. That's it for me, but we have Councilwoman Littlefield.

[Time: 01:34:46]

Councilwoman Littlefield: Mr. Worth, I would like to ask with these policies and changes and things that we want to do and I congratulate you. I think this excellent. Do we have any marketing strategies with this for the residents and the commercial businesses so they know what they are supposed to change in order to increase these percentages?

Dan Worth: Mayor, Councilwoman Littlefield, we do and that fits another category. Some of the

things that we have already done, I have got public information specialist that has ordered our capital program. She's working with solid waste and they have an additional marketing asset that they are using. We created a new position. We converted one of our manager positions to a customer outreach manager and we have got all of our program representatives who are really our people who go out and interact with customers and educate them and the people that work with the schools, people that work with businesses and tell them about our programs. They are all going to be reporting no this customer outreach manager. So we have got the assets pooled to really start putting a cohesive message together and getting it out to the community.

Councilwoman Littlefield: Thank you.

Mayor Lane: Thank you, Councilwoman. Vice Mayor?

[Time: 01:36:07]

Vice Mayor Korte: Thank you, Mayor. I applaud your work and I also thank EQAB's work on this whole strategic plan that relates to our values. I know that was a tough suggestion or direction by Council, but your policies really reflect that. And so just accolades to you and all the staff, and all of the volunteers that have been a part of this. I'm looking forward to seeing the final plan and not only the policies but the tactics behind those policies to obtain the objectives.

Mayor Lane: Thank you Vice Mayor. There's a new process employed by the City Manager and looking at the fees and charges that we develop and how we get to them. In this particular case, I would certainly sign on with the rest as far as what you have done here, and analysis and goal setting and frankly, to the point of what our directions basically are and what we are trying to accomplish. I think it's very interesting analysis of it, and frankly, a little bit of shaking at the shoulders as far as when we concern ourselves as we did sometime ago when we had residential, residential customers actually subsidizing their commercial, our commercial customers which really if we talk in those terms. It was an insane way to go. But nevertheless, that was a consequence of some of the actions of the past. It's nice to see and we are looking for the finished product as well. I mean, I'm sure it's in close semblance to what have you here. There's a lot of work that's gone into this. And I don't think I have ever heard you speak as quickly as you were tonight.

Dan Worth: He told me to be quick.

Mayor Lane: I wanted to ask you a question just to get you to take a breath. In any case, that looks like we are set with the questions on that. So thanks very much, Mr. Worth.

Dan Worth: Thank you.

[Time: 01:38:34]

Aviation Director Gary Mascaro: Okay. I will be quick. I have three slides. So thank you for the opportunity, Mayor and members of the Council. Tonight I would like to present to you three new

proposed fees for the Scottsdale airport for next fiscal year. The first fee is the airport property special events, and the second is the temporary activity permit fee and the third one is the airport meeting room rental fee. There is no request for any increases of any existing rates and fees at this airport. So the first one is more of a cleanup. It's the airport property special events fee and the airport is requesting to add a separate fee for the short-term use of airport property, which will be assessed at a rate of 6 cents 0 cents per square foot per day.

The fee is dedicated specifically to airport property for any special event that is being used to recover airport staff time during a special event and any potential loss of revenue if somebody used the apron and they are using it for aircraft parking. The estimate is two events, probably per year, about 500 square feet, and additional \$300 a year, and then two additional events meaning about 1,000 square feet at \$600 each. We are looking at an increase of potential revenue at about \$1,800. But what we are trying to do is cover our costs. Right now we have special events that do encroach on airport property and we want to make sure that those costs are being recovered as well because we can't give away free airport property. We get ourselves in trouble with the F.A.A. and so we are just covering ourselves.

[Time: 01:40:09]

The second item is very simple it's a temporary activity improvement is basically recovering the cost and providing a permit for any corporate hangar events and static displays, maintenance and warranty work that's being conducted on the airfield, and commercial photography, and so the staff right now has to get an application and complete that application and then, of course, provide it then to the individual to conduct such activity.

What we have been using in the past is what we call an airport hourly rate, which is on the current rates and fees schedule. That's been on since 1999. We wanted to keep it clean and easy. That rate was \$46.96 and it takes an hour of time to complete these temporary permits. And so if someone wants to have a permit at this airport to do these activities, that we would charge them a \$50 fee to recover airport staff time.

The last fee is something that you are very familiar with. It's obvious we are in the process of building our terminal redevelopment. And one of the large components of collecting revenue back to cover the cost of the debt service terminal space. We have meeting room space, and we did a, a full blown analysis and evaluation of different areas and space rental rates of various locations around the east valley, including conference rooms, centers, hotels and other city facilities. The recommendation is to charge for the use of the rooms on an hourly basis within two tiers. The two tiers are one for weekday rates and the second is for after-hours and weekends.

The revenue generated from the meeting space rentals will be using to recover the cost of the debt NFC and we anticipate the revenue to be about \$175 to \$200,000 a year and that was based on all of the evaluations that we did initially, before we brought the terminal redevelopment and the business partner, the restaurant and the lounge operator. So with, that I would be happy to answer any questions.

I do also want to point out that we also worked with the city attorney's office to evaluate the ability for the aviation director to authorize and have the authority to reduce or waive these potential fees for aviation nonprofit organizations and I would like to point out that the language is specifically going to focus on making sure that we don't have any challenges with the potential gift clause and such. So we would have to evaluate those opportunities. So we are looking at, for example, civil air patrol, which is a nonprofit group that operates out of the airport and provides services to the airport. During the event, you see the teenaged kids, boys and girls that are walking around with their Army outfits, they help out or the aviation business association, who provides ample service and support, and those are nonprofit entities that we would be looking at providing potential discount and waiver of utilizing that mediation space. With, that we would be happy to answer any questions.

Mayor Lane: Well thank you very much. That was thorough and quick, as you indicated and so thorough that we have no questions.

Gary Mascaro: Wonderful. Thank you.

Mayor Lane: Thank you.

[Time: 01:43:41]

City Attorney Bruce Washburn: I too only have three slides and I will try to be as brief and efficient as my predecessor. These are fees collected through the litigation process and prosecution as the City Manager told you at the beginning of presentation this evening, we are bringing full information regarding fees to the Council, and to public to make sure that they are all transparent. There are no increases or additional fees involved in this. These are fees that have been in existence, actually for about 14 years. And the reason for the fees is essentially cost recovery for materials provided to defendants during the procedures, the litigation procedures in the city court.

So there are five basic, five fees. There's a fee for non-DUI reports that the prosecution provides to the defendants. There's fees for DUI reports that is a separate fee. They have, they have different fee rates because the DUI reports require greater redaction, basically, greater handling costs by the prosecution and the non-DUI reports do. There's also a fee for the A/V files and other media we have to produce. A lot of that now is on body camera videos. We spend a huge amount of time producing the OBCs.

Then we also have fees that we have to produce jail video, and the jail video fee is considerably higher and that's because it requires a tremendous amount of redaction to produce jail video, because of the security issues involved, and then if somebody wants to come over, not get the reports or the materials from the prosecution but rather just come over and view them themselves, the fees are charged basically for the administrative cost of providing the facilities and the means for them to do that.

And the fees are for the non-DUI reports, it's \$5 for the DUI reports, it's \$10, for the other media files,

it's \$10. \$100 for the jail videos because of the huge amount of redaction and then basically \$25 an hour to provide the facilities and the capability for people to come over and view the files, or materials at the prosecution. So that completes the presentation. As I said, there's no increase or new fees being charged. This is just a matter of transparency. And I would be happy to take any questions.

Mayor Lane: Thank you very much, Mr. Washburn. We have a question or comment from Councilman Phillips.

Councilman Phillips: You just said these are the same fees we had for 15 years and we don't raise them. Now you would think that our costs would go up substantially in 15 years. You would have had to raise the fees at some point.

Bruce Washburn: Well, for a good portion of those 15 years, I wasn't the city attorney. I don't know what their thinking was then. The fact is we are pretty efficient about doing these and the total, I think the total amount brought in last year was something under \$60,000, all of which goes into the General Fund and we have been able to maintain our ability to do the production and hold the costs.

Councilman Phillips: All right. Thank you. Good job.

Bruce Washburn: Thank you.

Mayor Lane: Thank you, Mr. Washburn. Very good.

Bruce Washburn: Thank you, Your Honor.

[Time: 01:47:32]

Planning and Development Director Randy Grant: Good evening, Mayor and Council, Randy Grant, Director of Planning and Development Services. I would like to just go over quickly with you our annual review of our fee structure, has resulted in the following proposals. First, that we increase our base rate and fee by 6%, although this sounds like a lot, we haven't had a fee increase over most of our rates for six years and we found this year in doing the research that we're at about 92% cost recovery. So we would like to reach the 100% and truly get cost recovery. This would be on rates and fees other than small cell installations which we would, we were providing for separately.

The second is we would like to establish an expedited plan review. Years ago we had an expedited plan review process. We had a lot of people taking advantage of it, as a result some of efficiencies we are able to gain the expedited time became our standard time. Our standard time is among the fastest in the valley, comparison, apples to apples but we have some clients that time is more valuable than money. They would be willing to pay extra, for expedited plan review and we would hike to be able to a/k/a date them. We are not sure what the response to this is going to be but we want to make sure whether it's contractual money available to be able to perform on that. Currently we are at over 99% on time plan review, and that's important to me to be able to maintain that.



And third is relatively minor. It is an update to the schedule to include annual facility permit fees. This is for Mayo, Honor Health, other large facilities, that do their own plan review process and we charge them a permit fee and do an annual inspection. We haven't had this on the books in the past. It's a part of the building code and we are just asking this year that it be included. The rate and the fee increase would result in \$850,000 in additional revenues. We are asking for a set aside of \$300,000 for expedited plan review. Again, we would come back and modify this after we had some experience and understanding of what the value is to our customers. For a total additional revenue of over, a little over \$1 million.

The wireless communication facilities in the right-of-way, we're proposing a 3% increase in those fees. That's consistent with what we have done over past years, and it's also consistent with the industry standard. The 3% has been traditional since 2009, and we're proposing something that's consistent with lease payments in the industry as well. That would generate an additional \$15,000. A large part of what with you saw in the increase request in our budget this year is stormwater management fees. We're seeing a need, quite honestly, and the C.I.P. subcommittee recommended, and we agree with the \$2 rate increase on the, on the fees that would have the utility bill increases. The new fees are parented to cover the cost of additional reviews that we have to make and actually that \$2 fee would be a C.I.P. fee that would set aside \$2 million, a little over \$2 million a year dedicated specifically to C.I.P. projects.

[Time: 01:51:16]

We are also, and that would help us to address the \$98 million in unfunded drainage facilities that we have identified in capital projects and have not been able to fund to date. There are two properties and we're finding that this is becoming diminished as we have revitalization taking place instead of raw land development, but there's some development projects where we are charging a, an in lieu fee, a waiver fee for stormwater retention. In the past, this was \$1.87 per cubic foot. We are proposing that it be increased to \$2 per cubic foot and this is a reflection, the increased cost of land and the additional cost of maintenance to maintain these drainage facilities. What this is, is saying if someone qualifies for a drainage waiver, they have the ability to purchase that capacity, and the stormwater would go into the city system, but we would charge a fee that's commensurate with our costs to provide and maintain the facilities.

Stormwater management fees, we get about \$1.75 drainage complaints a year. 20,000 parcels and about 3200 structures, insurable structures are within the FEMA floodplains and we have determined that there is some risk of flooding for those structures. The, strangely enough because of the topography of Scottsdale we have about 30% of all policies for flood plain insurance in Arizona are within Scottsdale, because of the alluvial fan conditions and the breakout potential.

Currently, there's no reliable dedicated funding source, and as I mentioned, this would generate \$2 million in revenue. Most of those projects would qualify for 50% match by the federal, the flood control district of Maricopa County. This gives a history of the stormwater fee, previous to this, it has been a fee that's been used to monitor stormwater quality and to maintain the permit for stormwater

quality. We are proposing this be a dedicated source for capital projects. And this gives an overview of the fee structure. Some of these are responses to reviews that we have had requests for or that we were required to do, that we haven't charged for in the past. The stormwater management fees for CLOMARs and LOMARs, we are proposing fees that cover our review costs and you guess the mantra for this presentation is we are trying to achieve and maintain 100% cost recovery. And that's the end of my proposal. If you have any questions, I would be glad to address them.

Mayor Lane: Well thank you. No, we have no questions for you. Thank you very much.

[Time: 01:54:53]

WestWorld General Manager Brian Dygert: Good evening, Mayor and members of Council, Brian Dygert, general manager at WestWorld. I'm going to give you an overview of the highlights after we have done our complete analysis on WestWorld, looking at the current market demand, availability of the facilities, and our maintenance costs, as well as looking at comparable facilities like WestWorld across the country. I will be giving you our presentation.

The first and most significant one is a structural component in our rates and fees. It's the move in and move out rates have been established at 33% and warmup rates at 50%. We are putting those two together and charging 50%. I hope that that's clear. That's a structural component and so on our rates and fee schedule, you will see, a client would see one fee at 50% of what the rental rate is and it would state it as a move in, a move out or a warmup. The Tony Nelssen Equestrian Center, we are proposing an increase to the base rate for the north hall commercial use. We are increasing the base rate for all the fields which is retention basin which is the turf field and Lot B. That's the area down below.

We are proposing an increase to the base rates for arena 3 and 5a, those are the two covered arenas. Those are the third and fourth most rented arenas at WestWorld. And the parking lots, because some of our parking lots are being increasingly used for event production, we are proposing an increase in base rates for parking lots F, H, and K. F, F and H are to the west side of the Tony Nelssen equestrian center and k the area to the north. We are asking to establish a base rate for K1, which is now going to be denoted as K1, which is the asphalt parking lot, immediately north of the north hall. The rest of K Lot is still gravel, and in rough format, not finished, but K1 is now getting used by producers for event production. So when that comes into play, we need to have a value to charge that accordingly.

The other fees that you are going to see in our proposals is to increase the horse stall rental rate that's going up \$1 from \$16 to \$17 a stall, and increase the RV parking rate, that's going up \$2, from \$25 to \$27. Establish a drop-in schooling rate for local schooling and practice in the Equidome. That rate has been administered but we need it formally on the rate sheet for practical purposes. It happens when the Equidome is available. It's basically a call, the local horse community would call and ask if the Equidome is available and when it is, we'll apply it accordingly which is an hourly rate, it's \$250 an hour.

The dumpster rental fee which is actually the fee that Dan was alluding to, this is just to get our rate fee up to date. It's the same fee we have been administering it since those approvals went into place last year. This is just to have our fees on the same line. The food concessionaire and outside catering rates we are asking to eliminate those because we now have food and beverages under an exclusive contract rate. And it's no longer applicable to the outside food and beverage world.

We have established I.T. rates. You are going to see a few batches of I.T. rates but that is about hard line as well as network capabilities. We have purchased the hardware to service the TNEC, accordingly. And you will see city I.T. technical service because we rely on them to service it.

Mayor Lane: Excuse me, Brian?

Brian Dygert: Sure.

[Time: 01:58:54]

Mayor Lane: As you are getting into some of the other fees that you have on the list there, but just a question on the overall, I think some of this was, is, and we haven't indicated other than the first one on the in and out as to what extent of increases are taking place here. And on what base. My question is this, though, what, what elements of negotiations or considerations are given to amending or coming off the base rate in any of these categories other than time of year? You mentioned something on the basis of market demand, limited availability of facilities, facilities affected if these increases are included below, going down through the various elements. Well, I think we have known for quite some time that some of these, in fact, just about all of these facilities, whether they are fields or whether they are arenas or whether they are parking, are all impacted by the time of year. And the market demand is much higher in high season and maybe even the shoulder seasons to a degree than it is in the summer.

But other than season, we talk about market and I think market is majorly affected by those components even though with the climate controlled facility in north hall and that, we do have some, frankly some avenue of marketability in our, in our hot season in the summertime. But what other criteria other than time of year which drives market is there into how we give or take on these base rates. Are we stabilizing that? I hope I didn't just complicate it by going on into a few other things. The bottom line is this, we have base rates. As we see the contracts come through, they are frequently based upon a lot of different elements that seem to make them very customized. It doesn't matter what time of year it is or otherwise, that there's some, is there some standardization that we could point to, and how we work off of that base rate or not?

Brian Dygert: Mayor, I can tell you how I start those conversations. The Council contracts that you all see, that have negotiated rates generally start between 15 and 20% off base rate. So the simple calculation of when a client regardless of whether they are there or a new one, we take what it is that they are asking for. Yes, we know that the market demand here in Scottsdale is higher in better weather months than not but we don't try to factor that in. It's actually one, what is available and

two the size and impact of what that event is and then the beginning of those negotiations start with within a 15 to 20% of what the current posted rate is. Does that answer the question?

[Time: 02:02:13]

Mayor Lane: Yes, it does. I wish there was a little bit maybe more science to it, particularly when we are talking about facilities now and the demand for the facilities being at a heightened impression, why we still have somebody coming in where they start with 12 to 15% off rack rate. I mean, you know what, I just, I was sort of wondering if in addition to increasing the base rate, and maybe we just, now bringing it up to, that's what we are actually selling it for anyway. If we take the 12 to 15% off, we're back where we were. But I don't know what the percentages are that changed so I don't even say that.

Brian Dygert: Understood. I wish it was simple and it's not because every, every event is a little bit different and the uniquenesses to those events, whether they have a long history, whether they are local producers, when they are new, recruiting events, it's very different than trying to reestablish one that's been here for a while. So no two are the same. Are we trying to move to get to our base rates in the industry? We are trying to pay attention to that, and in those, base rates in the industry and our cost, our cost to operate. Those are known facts that when we are discussing with producers, whether they exist or we're trying to recruit them, that's the business that we are talking our way through.

Mayor Lane: Well, I guess I do understand that these things are negotiated. I just wondered if there was any kind of science to it, and it sounds to me like it's pretty much a give and take kind of situation. And with the investment, that the taxpayers have made in WestWorld, we are just trying to get some type of stabilization on that. Market is the market as market is. I think I get the general idea. I hope we continue to try to strive to work into a system as best we possibly can.

[Time: 02:04:06]

Brian Dygert: Understood. The I.T. is what I finished, with because we now have that all put in place, and we are using the city's I.T. technical staff people to support us, and those new rates are in that detail sheet. We are establishing a new labor rate with equipment. We had a labor rate for some time but we have added equipment costs to go into that most of the time, we are doing things for event supports. It's with equipment and we just took our entire fleet and averaged it out and then added that rate above our costs so that we can begin to recover some of the costs of this.

We are asking to remove the power rates down in the retention basin. They haven't been used in my time. So they are not even necessary. We are asking to establish a rate for rolling a pack, to roll and pack the Equidome arena floor. We have been administering it for years we need a normal rate put in the rate sheet. You are also going to see the RV dump stations which it actually a sewer dump station and through the city's sewer department, we now have physical control of the RV dump station. And so not only do current guests that have an RV have access to it, at no additional cost, but now you are going to see a commercial rate. You are going to see third-party service providers

that are servicing current RV guests that there are for a longer period of time and we will be able to start collecting some revenue that's handling the sewer costs that they are all generating. Those are all in there as well.

[Time: 02:05:44]

We are asking to remove the temporary stall fee for water and electricity. All of our horse shows stay within our capacity except for two, which is the Arabians and the quarter horses and we have in both of them, long-term contracts that handles with additional stall capacity from third-party provider. So that rate is no longer applicable to anybody else. So we are asking to remove it. We are asking to increase the horse, the stall clean out and manure haul off fee. That's one fee per stall applied each time an event comes in, going up by \$1 that's driven by third-party labor costs. We are asking to change the, if you remember, we have had two 15% discounts at my discretion to be applied. We are actually asking to change that now as we have worked our way through the marketplace a little bit.

Instead of having the two \$15 which one 15% was for an event any time of the year and the other 15% was during the summer months. We are eliminating one of them and allowing us to do 15% on new events, one time, first time in, and if it's in the summertime, we would add a 5%. So one time new, the first time applied discount to a new event in the summer, June, July, or August could receive a 20% right off rack rate. We could administer it normally and away we go.

And the last piece that we are asking for is to allow us to administer the Equidome to delete it from just a warmup. We don't want to have show producers rent the Equidome at half the rate and only use it for a warmup. So, of course, they could rent it for a warmup fee if they are going to program it accordingly, but in the past we have had some of that and it's not to, it is to their advantage. It's not to the city or WestWorld's advantage. So we would ask that we could remove that so that they either are going to rent it for programming which is an event production or they can stay outside and do other things that they want to do but they couldn't rent the Equidome as an auxiliary warmup arena. They could do that but it's at a regular rate, and that would generate \$138,000 of additional revenue which is roughly 2.9% of revenue in current fiscal year. The next two sheets on that, I will go right through it line by line. So I wasn't going to try to go through it line by line, unless you had specific questions.

Mayor Lane: Thank you, Brian. We have maybe a question from Councilman Smith.

[Time: 02:08:28]

Councilman Smith: Thank you, Mayor. Brian, your closing comment on the previous slide was that the \$138,000 combination of increases amounts to about 2%, I'm sorry, 2.9% increase in revenue. Do you have any sense of what the increase in the variable costs of WestWorld might be? In other words, so many of the other departments are trying to do cost recovery, and I don't mean the cost of the facility per se, but just are your labor and materials and maybe it's too early in the planning process to project that, but do you think this will even cover the increase in your variable cost?

Brian Dygert: If you are making, Councilman Smith, if you are making reference to the variable cost being those that have fluctuation, half of the cost at WestWorld, is fundamentally fixed, payroll being part of it, and utility being the other part, then I have about 30% that are all contracted through the purchasing process. Certainly it could be defined as variable and then the last 20% is commodities. So I'm not sure if my cost to operate going to go up higher than this \$138,000, is that what you are asking?

Councilman Smith: I think that's probably it.

Brian Dygert: I don't have that answer standing here.

[Time: 02:10:52]

Councilman Smith: Well, to the City Manager, I would say let's keep a focus on this when we come forward with the budgeting process. And I don't mean to imply that we ever expect WestWorld to break even, much less make money, but if we are trying to do essentially cost recovery as some of the other departments have said they are trying to do, then we should be sensitive to that here. I don't consider fixed payroll, for example to be a fixed cost. It may seem fixed to you, but it goes up with pay increases and it goes up with new hires and so on and so forth. So if this is the revenue increase, let's look at the cost increase as we come forward with the budgeting process. Thank you, Mayor.

Mayor Lane: Thank you, Councilman. Running on the same schedules that you have the detail and I know we don't want to go through them individually and I don't either. But when you have new fees, where in particular labor, labor rates and sometimes just fee rates on a per day or otherwise, where there is no current fee indicated, it's not applicable, how do we determine the revenue change if we don't know whether we even charged anything in the first place from the previous year?

Brian Dygert: Can you give me a specific example?

Mayor Lane: The city of Scottsdale, I.T. labor, prescheduled weekday, per hour, the current fiscal year, not applicable. Proposed \$125 per hour, I presume. And then with the revenue change, at \$3,000.

Brian Dygert: Understood. Now the answer to that question is based upon working with ten of our more significant events through the I.T. thing, one of which is going on right now, the quarter horses, that's where that came from. So that's what we expect in the next, it's actually going to start happening in the next four months but the next fiscal year. If 10 to 15 of the medium to larger sized events do use our I.T. network and/or internet, they are going to have some of those simple costs which is 8 to 10 hours on move-in day when they set up and interface with it. And that's based upon their direct feedback with us over the last three to four months.

Mayor Lane: Okay. So it's based upon some, I guess, developing situations? We don't really have numbers to determine that it's \$3,000 revenue change? That's what we are trying to work on? That's what we are estimating?

Brian Dygert: Correct. It would be a projected estimate.

Mayor Lane: So there is actually a charge for the city's I. T. people currently, when they are used, we just don't have a standard rate and it's not in the rate book?

Brian Dygert: Correct, because it's brand new. It's only, it's literally brand new right now, a week ago.

Mayor Lane: But we were charging for it before?

Brian Dygert: We are.

Mayor Lane: Okay. Thank you very much, Brian. I appreciate it. We have no further questions.

[Time: 02:13:20]

Community Services Director Bill Murphy: Good evening Mayor, members of the Council, community services. We have a couple of changes this year that we are requesting. The sports complexes had an area that we had as a patio fee. We are just going to expand the definition to be called a special use fee, which we'll be able to use for boot camps and some of the cross country steams that utilize the facility. A year ago, I stood before you and told you that we were going to do a two-year increase in our field prep, and so this is the second year of the fee for us to recover the 100% cost recovery on that. So our standard fee will go to \$100 and the custom fee for the soccer fields to \$150.

The library is establishing a new brain box activity. This is for 0 to 5-year-olds. It contains letters, blocks, Legos, some storybooks for parents to utilize at their home. And so we'll be having that as something that they can check out. We also will have a fee if anything is lost from those checkouts. Finally, we have had some requests for some larger paper copies in the library and so we will address that 8.5 by 14 as well on those fees to 50 cents for a black and white and \$1.75 for color.

Aquatics, again, we have the sponsor team. So we have, but we have some children that are on those teams that are nonresidents and we will have a \$5 fee for each of those nonmembers on those club teams and we will establish an aquatics fee also for some room rental or one of our medium-sized rooms based upon some of the use that the club has had right now, would be about 25% of what that actual fee would be. Facility rentals, we took a look at all the Ramadas. We haven't looked at this since the early 1990s. This is to establish one fee, residential fee, and no longer would we have a nonresident or a commercial fee. Part of that is to encourage people to streamline their reservations online, but also it has been a little cumbersome for the staff to separate sometimes when the requests come in. And this also, also we will have a request for volleyball now. Volleyball has become pretty predominant with some of the club teams which demand not only with our adult programs but the fact that we have to till the sand pretty frequently but also replace the sand. So we are recommending that we take that up to a \$16 fee and that would just be the set fee. There would be no differential between residential and non.

[Time: 02:16:00]

The McCormick Stillman Railway Park. Last year we established a pilot program for a fast pass. We sold that for \$15 so people didn't need to stand in line. We netted \$60,000 in revenue and we will implement that for the coming season, the holiday season. We also had train rides for \$4, with the fact that the staff is working additional weeks and we have more displays that we put out there, we are recommending that we would charge \$5. Again we tried, charged this past year, netted \$40,000 in revenue and so we'll establish that for the holidays. And, again, the Ramadas at McCormick, we would do the same thing with the facility, an increase of 25% on the residential rate only. There would no longer be a nonresident or commercial rate. So this kind of takes you through the tables, the special use permit again at the soccer complex would go to \$25. It would stay the same as what we had. The increase for the preparation for the soccer fields, would increase \$25 and \$35 respectively. The new brain box is valued at \$180 if any of the pieces were missing, we would have a \$12 fine for each of those pieces that would be missing.

As I mentioned, the copies and the supplemental materials, sometimes on some of the materials is we, we have those checked out. We have some supplemental things in the front of those areas, maybe a summary of the book or movie or things that might be checked out and if those don't come back, we have to reproduce those. So we will suggest the \$5 increase on that. And aquatics, as I mentioned, the nonresidential aquatic team participation would be a \$5 fee for those that are nonresidents of Scottsdale and then the aquatic use of the facility.

The other thing you will look at is on the facilities of the Ramadas part of what we looked at is actually to try to renovate the Ramadas to increase our inventories in all the parks, but also the neighborhood parks but also to go to a half day and try to turn these over twice. And so during the peak season that we have, we think we can accommodate that in some of the rovers that we have in the parks and reservation and we had some feedback from the community that they would like to see that as well. When it says low, those would be the seasonal from June through August, when our reservations are a little lighter and also below that is the volleyball courts.

So that's all the fees I have to discuss with you this evening. Do you have any questions?

Mayor Lane: No, Mr. Murphy, I think we are, we have got it covered. And there's no questions.

Bill Murphy: Okay. Thank you very much.

[Time: 02:19:07]

Fire Chief Tom Shannon: Good evening, Mayor and members of the Council. The Fire department will see just nominal changes in our rates and fees and these are really related to the employee costs associated with doing the work to do the inspections related, primarily to the special events and then to staff some of our special events. The, across the board on the lower half, we really tried to tie ourselves similarly to the Planning and Development division where our rates were commensurate



with theirs.

We are seeing obviously an increasing amount of inventory in terms of new occupancies, changing occupancies and so that would reflect some of the explanation for the increases to be quite specific, we have gone to actuals on the employee costs we found that the vendors preferred that. It's really more responsible accounting method, where we can actual historically produce an invoice to show this firefighter who makes this amount of money on overtime worked that event and so rather than going to a flat fee, which was an average of those same salary costs, we, we went to actuals and it's no more laborious for our staff to really calculate that. And then moving down the line of some of, some of the permit rate fee increases that you may recall from last year, those are nominal increases that are reflected of employee costs and really not a lot changing in terms of methodology. So that is the entirety of the hourly rate and fee increases we are expecting a nominal increase of revenue of about \$3,000.

Mayor Lane: Very good. I think you won the award for brevity here this evening.

Chief Shannon: I want a jet ski! I understand they gave away jet skis.

Mayor Lane: And there are no questions.

Chief Shannon: Thank you so much.

Mayor Lane: Thank you, Chief.

[Time: 02:21:26]

Police Chief Alan Rodbell: I just want to beat Dan Worth. So Alan Rodbell, Police Chief. Good evening, everybody. I have four changes to have impact on revenues and two do not. I'm going to talk a little bit about off-duty rates for Police officers and Police employees. Traditionally we ask vendors to pay 10% above the senior officer pay. We looked across the valley and saw that we were losing a little ground with our competitor cities and so we were asking to go to a rate that is the average of the cities including Glendale, I'm sorry, between Chandler, Paradise Valley, Tempe, Salt River, and Mesa and DPS. And those rate changes are on the next slide. We also are looking at paying officers and employees time and a half on certain specific holidays.

We recognize January 1<sup>st</sup>, 4<sup>th</sup> of July, Christmas day, Thanksgiving Day, as holidays that we asked them to come out and cover the events that occur in our city and we think it would be appropriate to recommend paying them time and a half. Both of those are paid by vendors and there's no increase cost to the city or increased revenues. We are proposing for first time an off-duty payment for the use of vehicle off duty of \$7 per hour, which would be an increased revenue to the city of, if I remember correctly, \$59,500 is our projection. That would be paid to the city, an increase in revenue. And the last thing is on body camera video, we are increasing from the \$11 we are charging presently and asking for \$20, an increase of \$9 and an increase revenue of \$4,590 to the city for a total increase of revenue of \$64,090. No increased costs to the city. I will answer any questions you

might have.

Mayor Lane: Chief, you did great!

Chief Rodbell: Oh. I beat Dan, hmm?

Mayor Lane: And pretty straightforward and thorough, hmm? You have low expectations of yourself on that one. Thank you, chief. Okay. Well, if the City Manager wants to wrap it up or...

Jim Thompson: No, sir, thank you.

Mayor Lane: All right. Very good. Councilwoman Littlefield.

[Time: 02:24:15]

Councilwoman Littlefield: Thank you, Mayor. I wasn't quick enough earlier, and I apologize, but I would like to know if Mr. Biesemeyer could answer a question for me, please.

Brian Biesemeyer: Mayor, Councilwoman Littlefield. Yes, ma'am, what can I do for you?

Councilwoman Littlefield: Thank you. On one of your slides for the water resources, significant C.I.P. growth driven system expansion and you had crossroads east, water and sewer and zone 14, 16, water system expansion, for a total of growth driven capital program for five-year period of 79.4 million, a assume. And you said this is offset through impact fees. Could you tell me exactly how that works?

Brian Biesemeyer: Okay. Those projects were included in the I.I.P., the impact fee plan, the infrastructure improvement plan that was briefed to you earlier in January and so those costs are included in that and then we set our impact fees based on all of those capital costs that we use in that plan. We add them up for ten-year period that's being evaluated and then we look at the growth and then based on that growth, we divide that by the number of new residents and properties that will come in to being during this time, and then set our impact fees based on that. So that impact fee is collected when those new facilities come online and get the money back to us.

Councilwoman Littlefield: Okay. So those are paid for by the new facilities, the new homes, businesses, whatever, that are going in?

Brian Biesemeyer: That is correct.

Councilwoman Littlefield: That are not yet here?

Brian Biesemeyer: Yes.

Councilwoman Littlefield: Thank you.

Mayor Lane: Thank you, Councilwoman. Councilman Smith.

[Time: 02:26:19]

Councilman Smith: Well, I will circle back and ask a question too, but not to you.

Brian Biesemeyer: Okay.

Councilman Smith: In the community planning and development area, we talked about increasing, the stormwater fee by \$2. And the annual revenue generation would be \$2,170,000. Question, will this be segregated for C.I.P. purposes?

Randy Grant: Mayor Lane, Councilman Smith, yes.

Councilman Smith: Okay. So we will see this coming into the General Funds, C.I.P. and it will be available for stormwater projects, matching dollars and so on and so forth?

Randy Grant: That's correct.

Councilman Smith: Thank you.

Mayor Lane: Thank you, Councilman. And thank you, Mr. Grant. That completes our Item 15. We have, I'm presuming taken some direction, if I would have asked the City Manager and the staff whether they received the direction that they wanted from here, with any exceptions, we have called out for, unless the Council has anything further to give. It is what you got. All right. All right.

## **PUBLIC COMMENT**

Mayor Lane: Our next order of business is Public Comment which we have no additional Public Comment.

## **CITIZEN PETITIONS**

[Time: 02:27:39]

Mayor Lane: But we have a petition to consider and that was Mr. Stuart's earlier petition with regard to the Council taking on or considering sending his petition to the ballot in exchange for he's willing to forgo some litigation against the individual members of the City Council and a charter officer of the City Council to preserve the ballot initiative directly to the voters for approval on November 18<sup>th</sup>. And so that is the essence of it. You heard him make the presentation on it, as well. So we have a rightful act to take action, not to take objection or give direction to the City Manager on it.  
Councilman Smith.

Councilman Smith: Thank you, Mayor. I make a motion that we take no action.

Vice Mayor Korte: Second.

Mayor Lane: The motion has been made and seconded. No further comments seen. I would then think that we are ready then to vote. All those in favor, please indicate by aye, of taking no action. Those opposed with a nay. It's unanimous, 7-0 to take no action.

### **MAYOR AND COUNCIL**

[Time: 02:29:18]

Mayor Lane: So that takes us to our nominations for boards and commissions. And task force nominations and for that purpose, I turn it over to the Vice Mayor. Vice Mayor.

Vice Mayor Korte: Thank you, Mayor. This evening, the City Council will be nominating Scottsdale residents interested in serving on citizen advisory boards and commissions. The seven commissions and/or boards with vacancies are:

The Board of Adjustment, Building Advisory Board of Appeals, Industrial Development Authority, Loss Trust Fund Board, McDowell Sonoran Preserve Commission, Parks and Recreation Commission and the Tourism Development Commission.

Those nominated will be interviewed at the City Council meeting on Tuesday, March 20th, of this year and appointments will follow each set of interviews. Let's get started.

### **BOARD OF ADJUSTMENT**

[Time: 02:30:01]

Vice Mayor Korte: First we have Board of Adjustments. There's one opening. The Board of Adjustment is a quasi-judicial body that hears variance requests, appeals of the Zoning Administrator's interpretation/decisions, and decides on administrative decisions or zoning requirements. Dana Belnap resigned February 2018. There is one vacancy and two applicants. The applicants are: Joseph Dawson and Scott Johnson. I will entertain nominations. And Councilmembers can nominate one and I will start with Mayor Lane.

Mayor Lane: I would like to nominate Joseph Dawson.

Vice Mayor Korte: And Councilwoman Klapp. Yes.

Councilwoman Klapp: And I nominate Scott Johnson.

Vice Mayor Korte: And there are no additional nominations so that has been closed, and both

Dawson and Johnson are nominated.

**BUILDING ADVISORY BOARD OF APPEALS**

[Time: 02:31:06]

Vice Mayor Korte: There's one opening. The Building Advisory Board of Appeals has the jurisdiction to recommend that minor variances of the building code be granted. SPECIAL QUALIFICATIONS: None required by City Code, however, members appointed to the Building Advisory Board of Appeals should be qualified by experience and training to decide on matters pertaining to building construction. Warren Neiman's term expired February 17th, 2018. He is eligible for reappointment and has submitted an application for consideration. There is one vacancy and one applicant. The applicant is: Warren Neiman. Councilwoman Klapp.

Councilwoman Klapp: Warren Neiman.

Vice Mayor Korte: And given that there are no additional applicants, congratulations, Warren Neiman.

**INDUSTRIAL DEVELOPMENT AUTHORITY**

[Time: 02:32:03]

Vice Mayor Korte: Moving on to Industrial Development Authority. There's one opening. The Industrial Development Authority's main function is to issue tax-exempt bonds for certain types of private developments for the purpose of attracting new economic activity to the community. There are no formal requirements, but given the nature of the work that the IDA conducts, it is suggested members be comfortable working with detailed financial pro forma, feasibility studies and financial projections. Russell Kolsrud's term expires March 21. He is eligible for reappointment; however, he has not submitted an application for consideration. There is one vacancy and one applicant. The applicant is: Marcus Mountford.

Councilwoman Milhaven: Marcus Mountford.

Vice Mayor Korte: That concludes our applicants. And no further.

**LOSS TRUST FUND BOARD**

[Time: 02:33:04]

Vice Mayor Korte: So we will move on to the Loss Trust Fund Board. Jim Stabilito's term expired February 17th. Mr. Stabilito is not eligible for reappointment. No applications have been received at this particular time. We would certainly love to see some applicants move forward to join the Loss Trust Fund Board. It only meets two times a year, and we need some good volunteers. So I ask the

public to join in.

MCDOWELL SONORAN PRESERVE COMMISSION

[Time: 02:33:37]

Vice Mayor Korte: So now then we move to McDowell Sonoran Preserve Commission. There are two openings for this. The McDowell Sonoran Preserve Commission provides citizen oversight for acquisition, preservation, management and stewardship of the McDowell Mountain and related Sonoran desert for the benefit of this and future generations. Con Englehorn's term expired February 17th. He is not eligible for reappointment. Robert Frost's term expired February 17th. He is not eligible for reappointment. And Judy Frost has withdrawn her application for consideration. There are two vacancies and eight applicants. The applicants are: Joseph Blankenship, Alisse Caton, Andrea Davis, Mark Hackbarth, Laurie LaPat-Polasko, Marsha Lipps, Constance Moll, and Tawana Parker. And with that I will begin nominations with Councilwoman Littlefield.

Councilwoman Littlefield: Thank you. Mark Hackbarth and Constance Moll.

Vice Mayor Korte: Councilman Phillips.

Councilman Phillips: Andrea Davis and Tawana Parker.

Councilman Smith: Laurie LaPat-Polasko and Marsha Lipps.

Vice Mayor Korte: I have no additional.

Mayor Lane: No additional.

Councilwoman Klapp: Joseph Blankenship.

Councilwoman Milhaven: I have no additional.

Vice Mayor Korte: So those nominated include Joseph Blankenship, Andrea Davis, Mark Hackbarth, Laurie LaPat-Polasko, Marsha Lipps Constance Moll and Tawana Parker. Thank you.

PARKS AND RECREATION COMMISSION

[Time: 02:35:39]

Mayor Lane: We now move on to the Parks and Recreation Commission. The Parks and Recreation Commission advises the City Council on the acquisitions of lands, operations, use, care, and maintenance of parks and recreation areas. Todd Davis' term expired February 17th. Mr. Davis is eligible for reappointment and has submitted an application for consideration. There is one vacancy and two applicants. The applicants are: Todd Davis, Ramero Russell. I will start with Councilman

Phillips.

Councilman Phillips: Todd Davis.

Councilman Smith: None further.

Vice Mayor Korte: No additional.

Mayor Lane: No additional.

Councilwoman Klapp: No additional.

Councilwoman Milhaven: No additional.

Councilwoman Littlefield: No additional.

Vice Mayor Korte: Thank you. Congratulations, Todd.

#### **TOURISM DEVELOPMENT COMMISSION**

[Time: 02:36:27]

Vice Mayor Korte: And moving on to, I believe, the final commission is the Tourism Development Commission. There's one opening for a hotelier. The Tourism Development Commission advises the City Council on matters concerning the expenditure of revenues from the Transaction Privilege Tax on transient lodging designated for tourism development. David Scholefield's term expired on February 17th. He represented an hotelier position. Mr. Scholefield is not eligible for reappointment. There is one vacancy and two applicants. The applicants are: Sherry Henry and Richard Newman. Both representing hoteliers. And I will start with Councilman Smith.

Councilman Smith: Sherry Henry.

Vice Mayor Korte: Richard Newman.

Mayor Lane: No additional.

Vice Mayor Korte: And that completes the nominations. So this concludes our nomination process for this evening. City staff will contact those who were nominated and provide them with additional information about the interview process. Then I would like to take this opportunity to sincerely thank all of those who applied to serve on our citizen advisory boards and commissions. Even if you were not nominated your application will remain on file for one year for consideration at a future date if there are additional vacancies. And now I turn the meeting back over to the Mayor.

Mayor Lane: Thank you, Vice Mayor. Certainly another quick and efficient boards and commissions

meeting. Thank you very much. And that does conclude our business for tonight. So I want to thank everyone who has participated, who may still be here and thank you to staff. Thank you to Council colleagues for their input and attentiveness.

**ADJOURNMENT**

[Time: 02:38:15]

Mayor Lane: With, that I will accept a motion to adjourn.

Councilwoman Klapp: Move to adjourn.

Mayor Lane: The motion made to adjourn and seconded. We are adjourned. Thank you very much.