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#### **CALL TO ORDER**

[Time: 00:00:03]

Mayor Lane: I don't even need the gavel. I would like to call to order our February 5<sup>th</sup>, 2019 City Council meeting.

#### **ROLL CALL**

[Time: 00:00:11]

Mayor Lane: It's a Regular Meeting and I'll start with a roll call, please.

City Clerk Carolyn Jagger: Mayor Jim Lane.

Mayor Lane: Present.

Carolyn Jagger: Vice Mayor Linda Milhaven.

Vice Mayor Milhaven: Here.

Carolyn Jagger: Councilmembers Suzanne Klapp.

Councilmember Klapp: Here.

Carolyn Jagger: Virginia Korte.

Councilmember Korte: Here.

Carolyn Jagger: Kathy Littlefield.

Councilmember Littlefield: Here.

Carolyn Jagger: Guy Phillips.

Councilmember Phillips: Here.

Carolyn Jagger: Solange Whitehead.

Councilmember Whitehead: Here.

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: 00:00:36]

Mayor Lane: Thank you very much. Some items of business. We do have cards if you would like to speak on any of the items or on Public Comment, there's a white card over the clerk's head to my right and we have a yellow card for written comments for any of the agenda items. And those are the yellow cards she has over her head by now, I think, yes, and to my right. And those cards will be read by the Council during the proceedings. We have Scottsdale Police Officers Nate Mullins and

Tony Wells, and they are generally right there in front of me. Thank you. They are here if you have any need for their assistance. And we have Scottsdale Fire Engineer Ned Greenleaf is here if we need his assistance. They are maintaining their distance from one another tonight but it's just for added coverage. The areas behind the Council dais are for staff and Council access only and that's over here to my left under the exit sign there for your convenience.

### **PLEDGE OF ALLEGIANCE**

[Time: 00:01:45]

Mayor Lane: And this afternoon we had the Pledge of Allegiance by the Cub Scouts Pack 241, to lead us in the pledge and pardon me, gentlemen, for not taking a moment ahead of time to introduce and meet with you all. I apologize for that. I know you were going through the logistics of how this is going to be arranged here when I first got with you. But in any case, welcome. It's nice to have you here. And so we would ask that you, the boys maybe could move to the microphone and lead us in the pledge and if you are able, please stand.

Webelos Cub Scout Pack 241: 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, gentlemen. Since the choreographer has been with you, you already have the microphone turned.

Webelos Cub Scout Pack 241: I'm Stanley, and I go to Pueblo Elementary School and I'm in fifth grade and my favorite subject is Spanish because I go to a Spanish immersion school. Hi, my name is Adam, I go to Kiva, and my favorite subject is recess. My name is Wesley. I'm from Kiva and my favorite subject is history. I'm Michael. I'm from Kiva, and my favorite subject is math. I'm Ryan from Kiva and my favorite subject is science. I'm also Ryan from Kiva, and my favorite subject is recess.

Mayor Lane: Thank you very much, gentlemen.

### **INVOCATION**

Mayor Lane: For today's invocation, we do have Pastor David Joint of the Valley Presbyterian Church with us. Pastor, please, and welcome.

[Time: 00:03:54]

Pastor David Joynt: Thank you. Let's take a moment and pray. Heavenly Father, we thank you for those in our midst in this great community who protect and serve as emergency workers and police workers. We thank you for all of those who lead and legislate like our Council and our Mayor, who give direction to our community. We thank you today for those who entertain us, the artists and the creators in our midst, the restaurateurs who feed us.

And on this amazing day, we thank you for the rain that falls from the sky, that makes the streets glisten and the flowers bloom and we thank you for that sunshine that passes through the scudding and moving clouds and creates shades and colors on our mountains. We are grateful to be here. It is a beautiful place to live and to play and to serve. And so we ask you to bless us in all of those great activities, in you are why great name, and all God's people said Amen.

Mayor Lane: Thank you, Pastor.

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

[Time: 00:04:57]

Mayor Lane: For a report today, I would like to report that, and also thank Councilman Guy Phillips for his service as Vice Mayor. Thank you very much, former Vice Mayor, Guy Phillips. Thank you very much for your service there. And I would like to welcome our current and new as of the 1<sup>st</sup> of February Vice Mayor Milhaven. We look forward to having you proceed in that role for the next several months.

Vice Mayor Milhaven: Thank you.

Mayor Lane: So thank you very much.

[Time: 00:05:30]

Mayor Lane: We do have a proclamation that is as timely as we could make it as far as a public announcement on it, but we are a little bit past this, but I will ask that everybody do their best for the remainder of the week but what the proclamation is and I will read it. It would probably be helpful.

And whereas the old west will come alive this February, reminding us once again that Scottsdale is the west's most western town. It has been challenged at times but nevertheless, we still hold that. And whereas the city is continuing the time-honored tradition of Western Week, where everyone in Scottsdale is encouraged to wear their best western duds that week of February 2<sup>nd</sup> through the 10<sup>th</sup>.

And whereas this year's Western Week events, new exhibits and engaging programs at Western Spirit, Scottsdale Museum of the West, Thursday night art walk at the Galleria, at the gallery district and a brand new Parada Del Sol museum. And the Hashknife Pony Express conclude their 200-mile horseback trek in front of the Western Spirit Scottsdale Museum of the West and whereas February 9<sup>th</sup>, Parada Del Sol Parade has been known as the southwest's longest horse-drawn parade, followed by a fantastic trail end festival after the parade. If you haven't experienced that, I strongly suggest you make a point of it. It's really quite a gathering and it's really gained an awful lot of popularity in the last several years due to the work of some great volunteers in putting that together.

And whereas we are especially pleased to welcome back the Arizona Indian Festival here, February 9<sup>th</sup> and 10<sup>th</sup>, free in Scottsdale Civic Center Park. I now therefore, W.J. Jim Lane proclaim,

February 2<sup>nd</sup> through the 10<sup>th</sup>, 2019 as Western Week in Scottsdale and encourage everyone to participate in all the wonderful western activities and warmly welcome the visitors who come to enjoy the spirit of the old west. Witness thereof, I cause to be affixed the seal of the city of Scottsdale for the proclamation.

So all you need to do, if you don't have western wear, go out and buy some here in downtown, and wear it as much as you possibly can and we will all be trying to do the same right here. But it is a great tradition and we have some great things that happen that do tie us to that great history. It's a great time to be doing that. So that's the end of the reports.

### **PRESENTATIONS/INFORMATION UPDATES**

Mayor Lane: We do have a presentation. We have the Neighborhood Advisory Commission as an update for us and the presenters are Adam Yaron, Project Coordination Liaison. Adam, welcome.

[Time: 00:08:26]

Neighborhood Advisory Commission Liaison Adam Yaron: Thank you, members, Mayor and members of City Council. My name is Adam Yaron, I'm the staff liaison to the Neighborhood Advisory Commission, a seven-person City Council group of citizen volunteers whose purpose is to promote policies, plans, strategies and programs for neighborhoods, preservation, improvement and revitalization. I would like to recognize our chair, chair Jennifer Fabiano who is with us this evening. To this end, the Neighborhood Advisory Commission has both built upon and evolved their work plan from past efforts of neighborhood enhancement. The Neighborhood Enhancement Commission and Housing Boards were previously managed boards by what was then the Neighborhood Resource Department.

Today the Neighborhood Advisory Commission is managed by the city's Planning And Development Department, specifically Long-Range Planning who have with direction from City Council, developed the work plan with more substantive material related to neighborhood issues to further strengthen neighborhood stewardship and advocacy efforts whereas we believe that strong neighborhoods make for a strong community. Accordingly, two issues of continued focus for the NAC in the coming year will be to further develop the NAC work program with the participation of greater participation and broader substantive issues of the community, as well as utilizing City Council approved budgeted funds for neighborhood improvements in a manner so as not to create conflicts with the city charter.

As it relates to our 2018 work items we have developed the work plan to the commission's enabling ordinance regarding neighborhood revitalization, improvement, and preservation. To this end, in May 2018, the Neighborhood Advisory Commission received evaluation from City Council's sunset review audit committee. We have responded to comments received by Councilmembers Korte, Klapp and Littlefield, thank you very much. And assisted in addressing a growing pressure generated by short-term rentals on Scottsdale neighborhoods, as well as utilizing neighborhood enhancement grant funding both of which I will touch on shortly.

We also participated in legislative oversight to many actions of City Council of approved text amendments and reviewed other city programs with regard to further strengthening ways in which local government can connect with neighborhoods. As you may recall, Senate Bill 1350 limited the powers of cities and towns with regards to vacation and short-term rentals. With this in mind the Neighborhood Advisory Commission developed a communication plan that's threefold. One, to advise owners of rental properties about their legal requirements encourage owners of rental properties to follow rules and ensure the renters are good neighbors, as well as to educate residents about what the city can and cannot do related to rental properties. As part of the city's budget process, the City Council earmarks funds for neighborhood revitalization efforts each year and it utilizes criteria to distribute such funds to neighborhood enhancing projects.

To this end, the Neighborhood Advisory Commission would like to provide a working budget to \$30,000 to acknowledge projects such as the one I will cover shortly, would not be possible. With regard to the Rotary Park improvements, the Neighborhood Advisory Commission had a four-part partnership between Operation Fix-It, Scottsdale's Parks and Rec, as well as Republic Services, one of the Scottsdale's largest employers. The N.A.C. contributed \$10,000 of its working budget to provide 70 trees, the development of a new wildlife garden, Operation Fix-It and coordination with public services and the parks and staff provided necessary tools to the city's tool lending trailer to ensure the project was completed in the one-day work program, as well as parks and recreation in providing much of the heavy lifting and site prep and generously providing experts on the day's event to ensure it was done to spec. Finally Republic Services with the 125 volunteers who completed the project amounting to \$1,000 in in-kind labor, as well as their contribution of \$2,500 to Operation Fix-It as a pay it forward amount to other Scottsdale resident projects.

[Time: 00:12:35]

I will just cover briefly some of the photos of the day in regards to site preparation, coordination with park staff, sweat equity provided by the major employer Republic Services, as well as members of our commission and other volunteers in the community. And then a Mayor dedication which kind of wrapped up the day. Another item of the commission worked on this last year is the Every House Changes document, of which is on the dais for your review, as well as the copy provided to the clerk to be made part of the public record. Promoted predominantly in south Scottsdale are R-7 properties, this document, both narratively and graphically details ways in which area homes can be updated. Furthermore it outlines the performance of enhancing existing neighborhood character.

This community resource provides a detailed analysis of area housing data, as well as highlights contemporary trends in updating properties without compromising the character of neighborhoods. The Every House Changes documents presents ways in which residents can easily identify not only the architecture of their home, but the character of their neighborhood and the user friendly format. For the next number of weeks we welcome the public to view this document at the Civic Center Library, the city's One-Stop Shop, or online keyword Every House Changes.

Finally, in the coming year we welcome dialogue from City Council and further establishing policies, plans and strategies and programs for the preservation, improvement and revitalization of Scottsdale's

neighborhoods. Thank you very much for your time.

Mayor Lane: Thank you. Thank you, Adam.

**PUBLIC COMMENT**

[Time: 00:14:23]

Mayor Lane: Next order of business is our Public Comment is, Public Comment is reserved for citizen comments regarding non-agendized items. With no official Council action taken on these items. Comments are limited to issues within the jurisdiction of the City Council and the speakers are limited to three minutes each with a maximum of five speakers. There's another opportunity at the end of the meeting if there is a need for additional Public Comment. All right. Now we have two requests. I'm sorry. We have one request for Public Comment. It's Pat Shaler. Pat, if you could come forward.

[Time: 00:15:05]

Pat Shaler: Hi. Pat Shaler. Address of record. I got a little additional information. First of all, Scottsdale has an excellent swim club. We have no quarrel with that. All we want to see is opportunity expanded and for Scottsdale residents to have access to Scottsdale pools. Back in about February of 2018, in response to the RFP, you found out that there was a swim club, ready, willing and able to pay \$12 per lane, per hour. On May 22<sup>nd</sup>, you approved Resolution 11120, I assume the original is signed. So after you knew that there was a club that was ready, willing and able to pay \$12 per lane, per hour, you approved \$3 and \$7 per lane per hour. \$3 for short course, \$7 for long course.

October 2<sup>nd</sup> of 2018, I submitted a citizens petition, alleging that the gift clause that this violated, this violated the gift clause because it gave a financial advantage at the expense of Scottsdale taxpayers. You referred that to staff which is where things go to die. Mr. Thompson sent you a memo that did not address that on September 1<sup>st</sup>. They then extended that contract for another year from July of 2019, to July of 2020, without contacting you. I approached Council to ask, how do I get an amendment of 11, or 11120 on the city's agenda to bring it back up to \$12 per lane per hour which is the low end of the market rate. Council says they have to talk to staff. Staff comes back and says, no, you can't change that. That is after Mr. Thompson and staff said in a meeting back in May, that they could not charge more than the \$3 and \$7 per lane per hour because that's what you had mandated in Resolution 11120, now they are telling you that you cannot amend it to bring it into compliance with the gift clause.

Oh, my gosh! Nobody elected staff. Staff isn't on the ballot. If you are going to want to float a bond, some of this needs to be cleaned up. Where else is staff playing games with my, with my money? Thank you.

Mayor Lane: Thank you, Ms. Shaler. That completes the Public Comment.

## **MINUTES**

[Time: 00:18:26]

Mayor Lane: So we'll move on to the next order of business which is our minutes and I would request, well, number one that the minutes have been supplied to us. If there are any adds or deletes to the minutes of January 8<sup>th</sup>, 2019, through January 15<sup>th</sup>, 2019, Special Meeting minutes or Regular Meeting minutes of January 8, 2019, and January 15, 2019, and Executive Session of January 15, 2019. Are this any requests for changes, adds or deletes or exception taken? Hearing none, I would request to approve the Special Meeting minutes of January 8<sup>th</sup>, 2019, and January 15<sup>th</sup> of 2019 and Regular Meeting minutes of January 8<sup>th</sup>, 2019, and January 15<sup>th</sup> of 2019 and the Executive Session minutes of January 15<sup>th</sup>, 2019.

Councilmember Korte: So moved.

Mayor Lane: Motion to approve is made by Councilwoman Korte and seconded by Councilwoman Littlefield. And then we are ready to vote. So all of those in favor please indicate with aye. Opposed a nay. It's unanimous by the approval of the minutes as has been stated.

## **CONSENT AGENDA**

[Time: 00:19:36]

Mayor Lane: Move on to the Consent items. Consent Item 1 through 12, supplied to us with the Council report and they have been reviewed. If there's any questions of Council. There are no questions from the public on them. If that's the case, and I believe that's what it is, I would ask for a motion to approve consent items as is stated 1 through 12.

Councilman Phillips: So moved.

Councilwoman Klapp: Second.

Mayor Lane: The motion has been made by former Vice Mayor, Guy Phillips, and seconded by Councilwoman, I'm sorry? Is there a question? Seconded by Councilwoman Klapp. We are now ready to vote. All those in favor please indicate by aye. Those opposed with a nay. Unanimous approval. Consent Items 1 through 12.

## **REGULAR AGENDA**

### **ITEM 13 - COMPREHENSIVE FINANCIAL POLICIES AND GOVERNING GUIDANCE**

[Time: 00:20:40]



Mayor Lane: Moving on to the Regular Agenda Items 13 and 14, the first is the Comprehensive Financial Policies And Governing Guidance. For that, we have the City Treasurer, Jeff Nichols. Mr. Nichols.

[Time: 00:20:50]

City Treasurer Jeff Nichols: Getting on with the Comprehensive Financial Policies we are bringing before Council, just as a background, these were first adopted in '94 and '95. I won't read it all to you. The bottom line is they contribute to the AAA bond rating we have. They do help with financial planning and management of public funds as well. The policies that we have, we have five different categories, a total of 47 policies. 22 in operating management, six in capital management. Seven policies on debt management. Nine policies on reserves and three on financial reporting. And they are included in your packet, those policies.

The administrative changes we're looking for, this year is a slight modification to operating management policy 17, and you see the strike out wording there, and the two-thirds of 1.1% added on the sales tax and food for home consumption. The rationale behind this is we are modifying the policy to include your direction to transfer two-thirds of the 1.1% sales tax collected on food for home consumption, from the General Fund operating to General Fund capital improvement. Financial operating management policy number 23, we're striking it out completely at the direction of the City Manager. He's brought forward budgets and now all employee groups are being treated the same. So this policy was no longer needed.

So capital management dedicated 1% privilege use tax for transportation improvements that was just approved by voters in the November 6<sup>th</sup> election, and we're dedicating that for enhancing capital projects for streets, highways and transportation improvements. And the rationale behind that is it's all going to capital, as was directed by the voters or voted approved by the voters will not go on the operating side of the ledger. And so with that, I would ask the Council to adopt the following Resolution Number 11, 111350.

Mayor Lane: Thank you, Mr. Nichols. We have one request from the public to speak on this item and we do have a Council request as well. And we will start with the public, Pat Shaler.

[Time: 00:23:39]

Pat Shaler: Pat Shaler, address of record. What I want to, the issue I want to raise is paragraph 10 under Comprehensive Financial Policies and Governing Guidance. All other user fees and charges will be examined periodically. That's what we are asking you to do. Determine the direct and indirect cost of service and recovery rate. We want you to recover a market rate for use of city pools. Excluding voter approved debt service, the acceptable recovery rate and the associated changes to user fees and charges will be approved by the City Council.

I'm not real conversant with bureaucratic ease, speak, but that tells me that you have the power to amend the resolution to require a minimum of \$12 per lane per hour for a competitive club use of our

pools. As it stands right now, if this contract continues, this year and until July of 2020, we will lose revenue of \$978,900 over three years. \$326,300 per year that we're subsidizing.

We are also subsidizing this for non-Scottsdale swimmers while at the same time the club that would like to come in and bring their Scottsdale swimmers are not allowed to use the pool. You've got the power. You got the ability. You got the information. If you just read, if you haven't read anything else, if you just read the two pages submitted today, that should bring you up to speed. We are tried to summarize as best as we could the problem. We are not trying to do away with anybody. We are growing as a city. We've got people moving into all of those high-rises.

You start collecting the right amount of money and we can afford to build another long course pool, and then we could have two competitive swim clubs each with their own dedicated short and long course pools. That would benefit everybody. I don't understand why this has been so difficult. I don't understand why Council can't take more control and make it happen. Like I said, nobody put staff on the ballot. I understand that you are going to come and ask us for more bond money and there's going to be some blow back when we see that you are turning down money that you could otherwise be having. Thanks so much.

Mayor Lane: Thank you, Ms. Shaler. There's no other requests to speak on this item. And we do have a request to speak from Councilwoman Littlefield.

[Time: 00:26:38]

Councilmember Littlefield: Actually, it's just to Jeff, could you speak into the microphone a little more. It's hard to hear you.

Jeff Nichols: Certainly. I'm sorry about that.

Councilmember Littlefield: Thank you.

Councilmember Korte: Mayor?

Mayor Lane: Yes. Councilwoman Korte.

Councilmember Korte: I would like to make a motion to adopt Resolution 11350.

Mayor Lane: The motion has been made to adopt.

Councilmember Whitehead: Second.

Mayor Lane: Seconded by Councilwoman Whitehead and so we have a first and a second on that item. We are now then ready to vote. All those in favor, please indicate by aye and those opposed with a nay. Aye. It's unanimous then on the acceptance. Thank you, Mr. Nichols on that.

Jeff Nichols: Thank you, Mr. Mayor.

**ITEM 14 - MONTHLY FINANCIAL UPDATE**

[Time: 00:27:24]

Mayor Lane: I know you are standing in place, the next item, or Item 14, the Monthly Financial Update and Mr. Nichols is here for that presentation.

[Time: 00:27:33]

City Treasurer Jeff Nichols: Thank you, sir. Members of Council, the Monthly Financial Update as of December 31<sup>st</sup>, 2018, as you know, we're required by charter to provide a Monthly Financial Update to Council. We went through the months of, we got through the month of November and December without providing one. I'm just going to be giving the update on the Monthly Financial Update for December, because the November numbers are baked into this. I don't see any reason to go through November and then go through December.

So with that being said, as you can tell, pictorially on this graph, all but three revenue streams, if you look at the revenue streams with the numbers associated with them, there's only all but three revenue streams have a positive variance. We'll go to the second slide. And as you can see those positive variances, the negative variances are much smaller. The percentages are larger because they are a smaller revenue source. Some of the ones I would like to go over, the charges for services other than 10% or \$500,000, it was partially a reimbursement of an HVAC that we did in El dorado that we were reimbursed by the boys and girls club down there by the agreement. They began making payments on that and we have some favorable variances related to the timing of cell tower payments.

So one is timing, the other we expect to carry the, the first one we expect to carry forward throughout the fiscal year and end up with the positive variance in this category. Some of the other large variances that you see this, interest earnings, we have funds invested, and the yields on those investments aren't doing as well as we thought they would at this point in too many. And some of that has to do with the fed, of course, pulling back a little built and not raising the interest rates, which probably economically speaking was a positive step for the fed to take. We do feel that as we move through the year, that we'll close this gap. Certainly 16% but only \$13,000 but we don't expect it to last through the end of the fiscal year.

You looked at this graphic and what you see, again, all but three of the sales tax revenue streams have positive variances. And three that don't down there, a total of about \$600,000. In the automotive category, we had a car dealer starting to report sales tax-related to services and sales that had not been reported previously. So it's not a timing issue. We will enjoy that positive variance at the end of the fiscal year. The same with construction. Residential construction is up. We are seeing increased residential sales. So it's not a timing issue.

The food stores category, favorable variances due to a new grocery store that was not included in the

forecast. So it's not a timing issue. We expect to see a positive variance at the end of the year in that category, and finally, down in the other activity, you see a rather large 16% variance, \$900,000. We had a large one-time audit payment that's driving that. Staff did an audit, found an underpayment. They made the payment and we're enjoying that revenue.

Look at the General Fund operating uses by category. We will get to personnel services later. Again, though, the vast majority of these are positive variances, all but one and that's the transfers, and that's the transfers out. When you look at the contractual services, right now, the areas that we're seeing, the positive variances and the major one, public safety, police. We have a \$700,000 positive variance because we have turned off some photo radar cameras. And so we're not making payments for those cameras. We shut them down. So we are enjoying those savings.

I fully expect those savings to be there at year-end if they are not needed for the photo radar program. We have \$400,000 related to the adult sports program. And so, again, those are not timing. I do expect those savings to be there at the end of the fiscal year.

When we look at the personnel costs and related costs, again, positive variances for all but overtime, the overtime was being driven by the Fire department in their training. However, it's, you will see when we get to the divisions, they have covered that, and other portions of their budget. So the contract workers, I would like to speak to that because it's a very large percentage. It's only \$100,000. But it's related to our program within Planning, where people can expedite plan reviews. And in order to do that, we were going to bring on contract workers to do that. We are not having as many applicants as we thought we would have, and so we don't have the expense related to that. So, again, as the year goes on, I would expect those savings to accrue on the undesignated fund balance at the end of the fiscal year.

[Time: 00:32:56]

Looking at division expenditures, again, I'm not going to touch on these expenses. They are being driven by the same expense categories just different categories by division, but as you can see, every division has a positive variance at this point and the fiscal year, December 31<sup>st</sup>, save for Fire but it's not the negative variance driven by their overtime. And so where are we at? December 31<sup>st</sup>, well, we are actually at \$15.4 million, our change in fund balance a positive variance. As you can see, we thought from a budget perspective, we would be at \$6.6 million. So we are \$8.7 million to the good, if you will on that positive variance.

And, again, when I say some is related to timing, so we may not end one \$8.7 million at the end of the year, but I do expect to see a fairly large positive variance at the end of the fiscal year. And we won't go through the monthly update for November as I said. So if you have any questions on the December, I can talk to you, I can answer those questions but at this point in time, I would like to turn it over to Mr. Lipinski to give you the quarterly C.I.P. update.

Mayor Lane: That's fine. Thank you, Mr. Nichols.

Jeff Nichols: Thank you.

Mayor Lane: Mr. Lipinski.

[Time: 00:34:25]

City Engineer Dave Lipinski: I will run you through the C.I.P. quarterly update. This is through December.

The first chart shows you expenditures by program and the projects are funded in their entirety at the beginning of the C.I.P. year and so our budgets will outrun the expenditures throughout the year and we will hopefully catch up to being close through the December two quarters we are about 50% spent out of our budgets. This is a breakdown by programs showing the quarter two actuals. The inception to date of the projects and also inception of the date actuals and it looks like we are being cut off on the bottom there. By funding course, this breaks down by the funding courses across the city, the same data rolls up just by funding source, versus by program.

And then you get into the projects, the specific projects. So this is a list of the larger projects that I will highlight. They are listed on city's website. These show up under the different divisions. We will work our way down the list. If you have questions feel free to ask. 68<sup>th</sup> street and the Pima Road Bridge. The water was shut down and work started on Friday, January 11<sup>th</sup>. The bridges will be completed, the portions in the water flow will be completed by Friday. The water gets turned on starting on Monday. So both bridges will be up and out of the water. They will not be open yet. 68<sup>th</sup> street the deck is poured. There are two dates on the bottom that are backwards when I asked staff, the project manager for both of these, just got 'em backwards on me. 68<sup>th</sup> street is anticipated to open the end of the April. Once they are done with the bridge deck, there's actually some sewer line work that they will do connecting north and south, and then Pima Road should open in mid-March.

I will run you through a quick time lapse. This is a shortened version. We have two time lapse versions, they have been working 24/7 since they started. So this gives you an idea of what the first 18 days of construction look like.

Mayor Lane: Thank you.

Dave Lipinski: So that's the shortened version of where we are at. There's a full version of that, and the cameras are still shooting. So we will have a larger version of that, it's just massive in size. So we can't bring the whole thing back yet. Expenditure-wise for the two-bridge projects, right now, it's showing a large remaining balance because these are short duration at the end of the next quarter or shortly thereafter, you see the majority of the expenses hit within two or two billing cycles because of the short duration.

The Drinkwater underpass, you have a series. We do not have time lapse on this. We actually have our contractors gotten permission from the hospital and the city to fly drone footage of this and they

are flying it once a week or once every other week. They started to clean off the top slab and taking the fountains down and removing some of the soil from the deck. They have all the fountain structures out. You can see the retaining walls through the whole in the deck in this area here.

And, again, more of the soil is coming off the deck and January 16<sup>th</sup>, you can see they have taken the retaining walls off. They are taking the opening the deck, and they are making it more rectilinear. They will bring those up over the next two months. They will start to place the slabs in May which close that surface and then they have the waterproofing, the storm drain, electrical and then some sidewalk connections over the top of that bridge. So we are hoping, we are looking at late October, early November to open it back up.

[Time: 00:39:52]

Right now, Council is seeing two GNP contracts for construction. There's a third contract that will come back for the waterproofing and just finishing off the top of the deck. This is not the master plan, this is some sidewalk connections and DG and it will be very simplistic but we can get the pedestrians across it until the funding for the master plan comes to fruition in one form or another. Raintree Drive from Scottsdale to Hayden. Currently we have selected and are negotiating with a CMAR contractor. We are hoping to bring that first preconstruction phase contract to you February 19<sup>th</sup>. That contract for preconstruction phase services helps us on timing and phasing and the delivery of that project over the next 18 months. A lot of contribution for business accesses, time of year of construction, a lot of utility coordination and relocation. So it will be pretty intense.

That's why working with the contractor early to start to lay that out and make sure that everyone is aware of it and the contacts are made to all the local businesses. Thomas groundwater treatment facility, this is down at 86<sup>th</sup> and Thomas Road. This is adding additional treatment to the existing facility there. This project will not complete the entire basin you see here. The treatment facility expansion is in this northern portion of the site. They will build a localized basin, as a part of the Granite Reef, ultimate Granite Reef stormwater project that will build the larger basin in the park in the ultimate configuration.

This is just starting. The selection of this CMAR is currently in progress. And they are negotiating that contract. We hope to get that to you late February 1<sup>st</sup> or March and following up with the first GNP for long lead items. It's approximately a two-year construction duration on that facility.

For Bond 2015 updates we are entering the last phase of payment replacement, once it warms up enough, we can complete the rest of the myelin overlay. When the bond was originally projected, they are shooting now for about 190 lane miles to get done. It's been a very successful program and they are looking to wrap it up this spring. The remaining two Fire stations, 603, we are hoping to get that on the street to advertise for bid in the next two weeks. And 616 is scheduled for DRB in late February. From the results of that meeting, if there's minimal comments it should hit the street within the next couple of days of the DRB meeting.

Completed projects closed at the end of the second quarter, so in December. A list of projects that

were closed, some of these, the majority of these were complete. We are just closing them off the books. There's some little pieces hanging out. Finally got those buttoned up, and it's as far as appropriations, we went back to the funds, the General Fund, the enterprise funds at \$1.2 million were the biggest recipients of funds back. The General Fund and the Transportation Fund dollars are represented and what has been represented by the C.I.P. subcommittee as far as fund balance available. And with that, I will take any questions.

Mayor Lane: Very good. Thank you. And I see no particular questions, or no questions from the audience and/or our Councilmembers at this point in time. Thank you very much for that presentation. It's not an action item, so we have completed the Regular Agenda items and no action to be taken other than the acceptance of the information.

#### **PUBLIC COMMENT**

[Time: 00:43:40]

Mayor Lane: We now have no further Public Comment cards, I'm presuming. Just shaking of heads.

#### **CITIZEN PETITIONS**

[Time: 00:43:46]

Mayor Lane: And no petitions and so we have come to our Item 16, which is the boards and commission and task force nominations.

#### **ITEM 16 - BOARDS, COMMISSIONS, AND TASK FORCE NOMINATIONS**

Mayor Lane: And for that purpose, we turn our meeting over to the newly appointed Vice Mayor Milhaven. Vice Mayor.

[Time: 00:43:52]

Vice Mayor Milhaven: Thank you. This evening, the City Council will be nominating Scottsdale residents interested in serving on citizen advisory boards and commissions. The four boards and commissions with current vacancies include the following: Citizen's Bond Oversight Committee, Environmental Quality Advisory Board, Human Services Commission, and the Loss Trust Fund Board. The Scottsdale City Council is responsible for establishing City policies and enacting laws in support of those policies. The Council relies on volunteer, citizen-based boards and commissions to research issues and make recommendations in support of the Council's mission and goals. The information and recommendations provided by Council-appointed advisory boards is a valuable tool in helping Councilmembers in their deliberations. Individuals nominated will be interviewed at a Special City Council meeting on Tuesday, February 19th, with appointments following each set of interviews. So let's get started.

CITIZENS' BOND OVERSIGHT COMMITTEE

[Time: 00:44:58]

Vice Mayor Milhaven: The first one is the Citizens' Bond Oversight Committee. There are four openings. The Citizens' Bond Oversight Committee receives reports on the City's progress in implementing the Bond Program, reviews any proposed project changes to the program and provides comments to the City Council with respect to the bond program as the Committee deems appropriate. Terms for Dana Close, Judith Frost, Alex McLaren and Douglas Reed expired on January 26, 2019, and they are eligible for reappointment. Mr. McLaren and Mr. Reed have submitted applications. There are four vacancies and four applicants. The applicants are Seth Blattman, Alex McLaren, Kadambari Prasad and Douglas Reed. Each Councilmember can nominate four.

Councilmember Littlefield: Seth Blattman, Alex McLaren, Kadambari Prasad and Douglas Reed.

Vice Mayor Milhaven: Thank you. Everyone has been nominated. We will move forward.

ENVIRONMENTAL QUALITY ADVISORY BOARD

[Time: 00:45:58]

Vice Mayor Milhaven: Next is the Environmental Quality Advisory Board. The Environmental Quality Advisory Board provides guidance on the prioritization of future environmental activities and recommends environmental policies to the City Council. There are special qualifications as specified in the city code, the membership of the Board shall reflect both scientific and non-scientific interests. Arnold Siegel's term expired on January 18, 2019. He is eligible for reappointment and has submitted an application. There is one vacancy and four applicants. I will begin with Councilman Phillips.

Councilman Phillips: Walter Cuculik.

Councilmember Korte: Adam Wasserman.

Mayor Lane: George Spatola.

Vice Mayor Milhaven: Arnold Siegel.

Councilmember Littlefield: No additional.

Councilmember Whitehead: No additional.

Vice Mayor Milhaven: Thank you.

HUMAN SERVICES COMMISSION



[Time: 00:47:01]

Vice Mayor Milhaven: The Human Services Commission provides advisory recommendations to staff and the City Council on Human Services priorities and programs; and funding allocations for Scottsdale Cares, Community Development Block Grants, HOME, Human Services Emergency and General Funds. Denny Brown's term expired on January 26, 2019. He is eligible for reappointment and has submitted an application. There's one vacancy and six applicants. I will entertain nominations for Human Services. Each Councilmember may nominate one. We will begin with Councilmember Korte.

Councilmember Korte: Denny Brown.

Mayor Lane: Patricia Nightingale.

Councilmember Klapp: No further nomination.

Vice Mayor Milhaven: No additional.

Councilmember Whitehead: Victoria and I will butcher her last name. Victoria K. Kauzlarich?

Councilmember Littlefield: No additional.

Councilman Phillips: I will just say number two.

Vice Mayor Milhaven: All righty.

#### LOSS TRUST FUND BOARD

[Time: 00:48:09]

Vice Mayor Milhaven: The Loss Trust Fund Board has two openings. The Loss Trust Fund Board is responsible for recommendations to the City Council regarding the administration of the loss trust fund. SPECIAL QUALIFICATIONS: As specified in the Scottsdale City Code, the City Council shall appoint five joint trustees, of whom no more than one shall be a member of the City Council and no more than one trustee may be a City employee. John Stabilito's term expired on February 17, 2018, and was not eligible for reappointment. Suzanne Welch's term expired on December 1<sup>st</sup>. She's eligible for reappointment and has submitted an application. There are two vacancies and three applicants. I will now entertain nominations for the Loss Trust Fund Board. I begin with the Mayor.

Mayor Lane: Suzanne Welch.

Councilmember Klapp: Dominic Bilotti and Alan Smith.

Vice Mayor Milhaven: All of the applicants have been nominated. This concludes our nomination process for the evening. City staff will contact those who were nominated and provide them with additional information about the interview process. I would like to take this opportunity to sincerely thank all of those who applied and agreed to serve on a citizen advisory board or commission. Your application will remain on file for one year if and when there are additional vacancies. Thank you very much and I will turn the meeting back to the Mayor.

Mayor Lane: Thank you, Vice Mayor. Good, quick meeting. Good way to start.

#### **ADJOURNMENT**

[Time: 00:49:49]

Mayor Lane: That does complete our business for our Regular Meeting here for today, and seeing no other requests for any action or otherwise, I would ask for a motion to adjourn.

Councilmember Klapp: Move to adjourn.

Mayor Lane: The motion has been made and seconded. All of those in favor of adjournment, please indicate by aye. We are adjourned. Thank you very much for coming.