

**SUMMARIZED MINUTES
SCOTTSDALE CITY COUNCIL
REGULAR MEETING
TUESDAY, MAY 14, 2013**



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

CALL TO ORDER

Mayor W.J. "Jim" Lane called to order a Regular Meeting of the Scottsdale City Council at 5:03 P.M. on Tuesday, May 14, 2013, in the City Hall Kiva.

ROLL CALL

Present: Mayor W.J. "Jim" Lane
Vice Mayor Suzanne Klapp
Councilmembers Virginia L. Korte, Robert W. Littlefield, Linda Milhaven,
Guy Phillips, and Dennis E. Robbins

Also Present: Acting City Manager Dan Worth
City Attorney Bruce Washburn
City Treasurer David Smith
City Auditor Sharron Walker
City Clerk Carolyn Jagger

PLEDGE OF ALLEGIANCE – Brownies and Junior Girl Scouts of Troop 1680, Troop Leader Jennifer Patnode; and Daisy Troop 1277, Troop Leader Jennifer Hall

INVOCATION – Pastor Rob Gaschler, Pinnacle Church

MAYOR'S REPORT – Mayor Lane announced that the City Council held a Strategic Planning Workshop on May 8, which focused on Scottsdale's successes and key challenges to work on over the next year. A video and report is available online at www.Scottsdaleaz.gov. Mayor Lane recognized City employee Brian Hancock for his service to the City and wished him a happy birthday.

CITY MANAGER'S REPORT – None

NOTE: IN ACCORDANCE WITH PROVISIONS OF THE ARIZONA REVISED STATUTES THE SUMMARIZED MINUTES OF CITY COUNCIL MEETINGS ARE NOT VERBATIM TRANSCRIPTS. THESE MINUTES ARE INTENDED TO BE AN ACCURATE REFLECTION OF ACTION TAKEN BY THE CITY COUNCIL. DIGITAL RECORDINGS OF CITY COUNCIL MEETINGS ARE ON FILE IN THE CITY CLERK'S OFFICE.

PRESENTATIONS/INFORMATION UPDATES – None

PUBLIC COMMENT

- Chris Schaffner commented on the General Plan process.

MINUTES

Request: Approve the Regular Meeting Minutes of April 16, 2013.

MOTION AND VOTE - MINUTES

Councilman Robbins moved to approve the Regular Meeting Minutes of April 16, 2013.
Councilwoman Milhaven seconded the motion, which carried 7/0.

CONSENT AGENDA

- 1. Smashburger No. 1312 Liquor License (25-LL-2013)**
Request: Consider forwarding a recommendation to the Arizona Department of Liquor Licenses and Control for a series 12 (restaurant) liquor license for new location and owner.
Location: 2805 N. Scottsdale Road, Suite 100
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 2. The Kitchen 18 Liquor License (26-LL-2013)**
Request: Consider forwarding a recommendation to the Arizona Department of Liquor Licenses and Control for a series 12 (restaurant) liquor license for new location and owner.
Location: 10209 N. Scottsdale Road
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 3. Permanent Extension of Premises for Jalapeno Inferno (5-EX-2013)**
Request: Consider forwarding a recommendation to the Arizona Department of Liquor Licenses and Control for a permanent extension of premises for Jalapeno Inferno.
Location: 23587 N. Scottsdale Road, Suite C-11
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 4. Silverstone Rezoning (15-ZN-2005#2)**
Request: Adopt **Ordinance No. 4081** approving an amendment to a previously approved case stipulation (15-ZN-2005) in reference to the timing of development in regards to street improvement requirements for a 12.3-acre property with Planned Community District (P-C) with comparable zoning of Central Business District (C-2) zoning.
Location: Southeast corner of E. Pinnacle Peak Road and N. Scottsdale Road
Staff Contact(s): Randy Grant, Planning, Neighborhood, and Transportation Administrator, 480-312-2664, rgrant@scottsdaleaz.gov

5. **C-1, PNC, PCoC Zoning Ordinance Text Amendment (8-TA-2012, 9-TA-2012, and 10-TA-2012)**

Requests:

1. Adopt **Resolution No. 9410** declaring the document entitled "Zoning Ordinance Text Amendment Neighborhood Commercial (C-1) District — 8-TA-2012" as a public record.
2. Adopt **Ordinance No. 4082** approving a text amendment to the City of Scottsdale Zoning Ordinance No. 455 to amend Article V. (District Regulations) for the purpose of updating regulations related to allowable land uses and development standards for the Neighborhood Commercial (C-1) zoning district, for Case No. 8-TA-2012.
3. Adopt **Resolution No. 9411** declaring the document entitled "Zoning Ordinance Text Amendment Planned Neighborhood Commercial (PNC) District — 9-TA-2012" as a public record.
4. Adopt **Ordinance No. 4083** approving a text amendment to the City of Scottsdale Zoning Ordinance No. 455 to amend Article V. (District Regulations) and Article VII. (General Provisions) for the purpose of updating regulations related to allowable land uses and development standards for the Planned Neighborhood Commercial (PNC) zoning district, for Case No. 9-TA-2012.
5. Adopt **Resolution No. 9409** declaring the document entitled "Zoning Ordinance Text Amendment Planned Convenience Center (PCoC) District — 10-TA-2012" as a public record.
6. Adopt **Ordinance No. 4080** approving a text amendment to the City of Scottsdale Zoning Ordinance No. 455 to amend Article V. (District Regulations) for the purpose of updating regulations related to allowable land uses and development standards for the Planned Convenience Center (PCoC) zoning district, for Case No. 10-TA-2012.

Staff Contact(s): Randy Grant, Planning, Neighborhood, and Transportation Administrator, 480-312-2664, rgrant@scottsdaleaz.gov

6. **Cold Beers and Cheeseburgers Outdoor Dining License Agreement**

Request: Adopt **Resolution No. 9380** authorizing Outdoor Dining License Agreement No. 2013-050-COS with M & M1 LLC for an outdoor dining patio.

Location: 4222 N. Scottsdale Road

Staff Contact(s): Derek Earle, Acting Public Works Executive Director, 480-312-2776, dearle@scottsdaleaz.gov

7. **12KV Underground Conversions**

Request: Adopt **Resolution No. 9386** authorizing payments in an amount not to exceed \$2,200,000 to Arizona Public Service for direct costs for the installation of 12KV underground conversions on Scottsdale Road from Pinnacle Peak to Ashler Hills.

Staff Contact(s): Derek Earle, Acting Public Works Executive Director, 480-312-2776, dearle@scottsdaleaz.gov

8. **Citywide Heavy Site/Civil Construction Services Job Order Contract Modifications**

Request: Adopt **Resolution No. 9356** authorizing the following job order contract modifications for the third year option for citywide heavy site/civil construction services:

1. Contract No. 2011-005-COS-A1 with Hunter Contracting Co.
2. Contract No. 2011-006-COS-A1 with Nesbitt Contracting Co., Inc.

Staff Contact(s): Derek Earle, Acting Public Works Executive Director, 480-312-2776, dearle@scottsdaleaz.gov

9. **Brown's Ranch Trailhead Photovoltaic Interconnection Agreement**
Request: Adopt **Resolution No. 9397** authorizing Contract No. 2013-057-COS with Arizona Public Service (APS) for interconnection of the City's photovoltaic system at Brown's Ranch Trailhead.
Staff Contact(s): Derek Earle, Acting Public Works Executive Director, 480-312-2776, dearle@scottsdaleaz.gov
10. **Dark Fiber License Agreement**
Request: Adopt **Resolution No. 9402** authorizing Contract No. 2007-159-COS-A2, the second amendment to the Dark Fiber License Agreement with Zayo Group, LLC, formerly AGL Networks, to install and operate a fiber-optic network in the City's rights-of-way.
Staff Contact(s): Brad Hartig, Information Technology Executive Director, 480-312-7615, bhartig@scottsdaleaz.gov
11. **Traffic Signal Maintenance Service Intergovernmental Agreement**
Request: Adopt **Resolution No. 9396** authorizing Intergovernmental Agreement No. 2011-066-COS-A2 with the Town of Fountain Hills for a three-year extension to provide on-call emergency repair services to traffic signal facilities, with provision for additional routine preventative maintenance services.
Staff Contact(s): Derek Earle, Acting Public Works Executive Director, 480-312-2776, dearle@scottsdaleaz.gov
12. **Airpark Design Concept Report Intergovernmental Agreement**
Request: Adopt **Resolution No. 9389** authorizing Intergovernmental Agreement No. 2013-054-COS with Maricopa Association of Governments for project administration and reimbursement of eligible costs for Proposition 400 funds incurred by the City for the Airpark Design Concept Report.
Staff Contact(s): Randy Grant, Planning, Neighborhood, and Transportation Administrator, 480-312-2664, rgrant@scottsdaleaz.gov
13. **Project Administration and Reimbursement of Eligible Costs for Proposition 400 Funds Intergovernmental Agreements**
Request: Adopt **Resolution No. 9388** authorizing addenda to the following intergovernmental agreements with Maricopa Association of Governments for project administration and reimbursement of eligible costs for Proposition 400 funds incurred by the City for three roadway improvement projects:
1. Intergovernmental Agreement No. 2010-100-COS-A1 for "Scottsdale Road from Thompson Peak Parkway to Pinnacle Peak."
 2. Intergovernmental Agreement No. 2012-038-COS-A1 for "Northsight Boulevard from Hayden Road to Frank Lloyd Wright Boulevard."
 3. Intergovernmental Agreement No. 2012-039-COS-A1 for "Frank Lloyd Wright Boulevard at 76th/78th/82nd Streets: Intersection Improvements."
- Staff Contact(s):** Randy Grant, Planning, Neighborhood, and Transportation Administrator, 480-312-2664, rgrant@scottsdaleaz.gov
14. **Vista del Camino Career Center/Computer Lab Intergovernmental Agreement**
Request: Adopt **Resolution No. 9372** authorizing Intergovernmental Agreement Amendment No. 2010-045-COS-A2 with Maricopa County for funding to operate a career center and computer lab at Vista del Camino for one additional year.
Staff Contact(s): William Murphy, Community Services Executive Director, 480-312-7954, bmurphy@scottsdaleaz.gov

15. Vista del Camino Community Action Program Intergovernmental Agreement

Request: Adopt **Resolution No. 9373** authorizing Intergovernmental Agreement No. 2013-049-COS with Maricopa County to continue to operate the Community Action Program at Vista del Camino.

Staff Contact(s): William Murphy, Community Services Executive Director, 480-312-7954, bmurphy@scottsdaleaz.gov

16. Groundwater Savings Facility Agreement

Request: Adopt **Resolution No. 9398** authorizing Contract No. 1996-153-COS-A1, the first amendment to the Groundwater Savings Facility Agreement with the Salt River Valley Water Users' Association (SRP), to add Roosevelt Dam New Conservation Storage Water to the types of water that may be delivered to the facility for water storage credits.

Staff Contact(s): Brian Biesemeyer, Water Resources Executive Director, 480-312-5683, bbiesemeyer@scottsdaleaz.gov

17. DUI Abatement Grant

Request: Adopt **Resolution No. 9385** to authorize:

1. The Acting City Manager to execute Agreement No. 2013-053-COS for the purpose of accepting grant funds in the amount of \$100,000 from the State of Arizona through the Oversight Council on Driving or Operating Under the Influence Abatement, to enhance DUI enforcement efforts.
2. A budget transfer in the amount of \$100,000 from the adopted FY 2012/13 Future Grants Budget and/or the Grant Contingency Budget, and the creation of a new cost center to record the related grant activity.

Staff Contact(s): Alan Rodbell, Public Safety Executive Director, 480-312-1900, arodbell@scottsdaleaz.gov

18. Growing Smarter Grant Application

Request: Adopt **Resolution No. 9400** to authorize the City to:

1. Submit an application to the Arizona State Parks for Growing Smarter State Trust Land Acquisition grants for up to 50 percent of the cost of acquiring approximately 2,365 acres of State Trust Land for the McDowell Sonoran Preserve.
2. Accept the grant, if awarded, and create a new cost center to record the related grant activity.
3. Transfer budget appropriation from the Expanded McDowell Sonoran Preserve CIP Project No. 458-P0505 to the new grant cost center to record the grant activity.

Staff Contact(s): Kroy Ekblaw, Strategic Projects/Preserve Director, 480-312-7064, kekblaw@scottsdaleaz.gov

19. Audit Committee Recommendation for Human Relations Commission Sunset Review

Request: Adopt **Resolution No. 9406** accepting the Audit Committee's recommendation and authorizing the continuation of the Human Relations Commission.

Staff Contact(s): Sharron Walker, City Auditor, 480-312-7867, swalker@scottsdaleaz.gov

- 20. City Court Civil Traffic Hearing Officer and Pro Tem Judge Appointment**
Request: Adopt **Resolution No. 9413** approving the appointment of Alicia Morrison Skupin as Civil Traffic Hearing Officer per Scottsdale Revised Code Section 9-13, and as a Judge Pro Tempore per Scottsdale Revised Code Sections 9-2 and 9-3, for the period of May 20, 2013 through May 20, 2015.
Staff Contact(s): Joseph Olcavage, Presiding Judge, 480-312-2775, c/o jdymas@scottsdaleaz.gov

MOTION AND VOTE - CONSENT AGENDA

Councilmember Korte moved to approve Consent Items 1 through 20. Councilman Phillips seconded the motion, which carried 7/0.

REGULAR AGENDA

- 21. EPCOR Water Franchise Agreement**
Request: Adopt **Resolution No. 9405** declaring the proposed EPCOR Water Franchise Agreement No. 2013-062-COS beneficial to the City; submitting the question to the voters at the November 5, 2013 Special Election; estimating the cost of the election to be paid by EPCOR Water; and approving publication of the proposed EPCOR Water Franchise Agreement.
Presenter(s): Derek Earle, Acting Public Works Executive Director
Staff Contact(s): Derek Earle, Acting Public Works Executive Director, 480-312-2776, dearle@scottsdaleaz.gov

Acting Public Works Executive Director Derek Earle gave a PowerPoint presentation (attached) on the proposed EPCOR Water Franchise Agreement.

Discussion:

- Mr. Earle said the proposed franchise agreement addresses the use of City rights-of-way for the transmission of water but does not address service levels or quality of service.
- City Attorney Bruce Washburn explained that the City's Charter provides that the City can set terms and conditions for franchises, except for those companies that have certificates from the Corporation Commission. As a certificated utility, the City cannot set the terms and conditions of EPCOR's franchise.
- Mr. Washburn said, with the exception of the telecommunication companies, most utility companies have a franchise agreement with the City.
- A Councilmember expressed concern about charging a 2% franchise fee that will be passed along to the Scottsdale residents in EPCOR's service area.
- Mr. Washburn explained that there are two principles the City must consider when charging a franchise fee. The first consideration is equity. It would be difficult to explain why one franchise should be charged a fee and another should not. The second consideration is the economic value of the use of the City's rights-of-way. Not everyone is permitted to use the rights-of-way; therefore, there is an argument to be made that the City is obligated to charge a reasonable amount substantially equal to the value provided.
- Mr. Washburn opined that if the franchise agreement is turned down by the voters in November, EPCOR would be obligated to present another agreement until one is approved.

- City Clerk Carolyn Jagger said the City initially called a Special Bond election for November 5, 2013. The proposed franchise agreement will be consolidated on to the City's November 5, 2013 Special Election ballot. The first four questions on the ballot will be bond questions and the fifth question will be the franchise question. Ms. Jagger confirmed that the next regular City elections will be held in the fall of 2014. Ms. Jagger does not believe EPCOR would request a standalone election because the cost would be approximately \$500,000.

MOTION AND VOTE ITEM 21

Councilman Littlefield moved to adopt Resolution No. 9405 declaring the proposed EPCOR Water Franchise Agreement No. 2013-062-COS beneficial to the City; submitting the question to the voters at the November 5, 2013 Special Election; estimating the cost of the election to be paid by EPCOR Water; and approving publication of the proposed EPCOR Water Franchise Agreement. Councilman Phillips seconded the motion, which carried 6/1, with Councilmember Korte dissenting.

22. Public Hearing and Adoption of Fiscal Year 2013/14 Rates and Fees

Requests:

1. Accept citizen comments at a public hearing regarding proposed rates and fees.
2. Adopt **Resolution No. 9374** declaring the document entitled "*Amendments to Water and Sewer Rates and Charges-Chapter 49, Scottsdale Revised Code*" as a public record; and adopt **Ordinance No. 4077** amending Scottsdale Revised Code, Chapter 49, Water, Sewers and Sewage Disposal, related to water and wastewater rates and charges, effective July 1, 2013.
3. Adopt **Resolution No. 9358** approving the *Scottsdale Fire Department Fee Schedule*, effective July 1, 2013.
4. Adopt **Resolution No. 9359** approving the *Scottsdale Public Safety Fee Schedule*, effective July 1, 2013.
5. Adopt **Resolution No. 9382** approving the *Community Services Division Programming and Rental Fees Schedule*, effective July 1, 2013.
6. Adopt **Resolution No. 9383** approving the *WestWorld Rates and Fees Schedule*, effective July 1, 2013.
7. Adopt **Resolution No. 9387** approving the *Planning, Neighborhood and Transportation Department Rates and Fees Schedules for Wireless Communications Facilities*, effective July 1, 2013.

Presenter(s): Daniel Worth, Acting City Manager; Brian Biesemeyer, Water Resources Executive Director

Staff Contact(s): Brian Biesemeyer, Water Resources Executive Director, 480-312-5683, bbiesemeyer@scottsdaleaz.gov; Paul Katsenes, Community and Economic Development Executive Director, 480-312-2890, pkatsenes@scottsdaleaz.gov; Tom Shannon, Fire Chief, 480-312-1892, tshannon@scottsdaleaz.gov; Alan Rodbell, Public Safety Executive Director, 480-312-1900, arodbell@scottsdaleaz.gov; William Murphy, Community Services Executive Director, 480-312-7954, bmurphy@scottsdaleaz.gov

Acting City Manager Dan Worth gave a PowerPoint presentation (attached) on the Fiscal Year 2013/14 rates and fees.

MOTION AND VOTE - ITEM 22

Councilman Robbins moved to:

1. Adopt Resolution No. 9374 declaring the document entitled "Amendments to Water and Sewer Rates and Charges-Chapter 49, Scottsdale Revised Code" as a public record; and adopt Ordinance No. 4077 amending Scottsdale Revised Code, Chapter 49, Water, Sewers and Sewage Disposal, related to water and wastewater rates and charges, effective July 1, 2013.
2. Adopt Resolution No. 9358 approving the Scottsdale Fire Department Fee Schedule, effective July 1, 2013.
3. Adopt Resolution No. 9359 approving the Scottsdale Public Safety Fee Schedule, effective July 1, 2013.
4. Adopt Resolution No. 9382 approving the Community Services Division Programming and Rental Fees Schedule, effective July 1, 2013.
5. Adopt Resolution No. 9383 approving the WestWorld Rates and Fees Schedule, effective July 1, 2013.
6. Adopt Resolution No. 9387 approving the Planning, Neighborhood and Transportation Department Rates and Fees Schedules for Wireless Communications Facilities, effective July 1, 2013.

Councilwoman Milhaven seconded the motion, which carried 6/1, with Councilman Phillips dissenting.

23. Public Hearing on and Adoption of Proposed Fiscal Year 2013/14 Budget (Tentative Budget)

Requests:

1. The City Council solicits and receives public input relative to the entire Proposed FY 2013/14 Budget, which includes both the Operating Budget and Capital Improvement Plan. The City Council may direct Staff to make revisions to the Proposed FY 2013/14 Budget prior to adoption or may adopt proposed version as the Tentative Budget required for conformity with Arizona Revised Statutes and City Charter.
2. Adopt **Ordinance No. 4087** as presented, or as modified by Council, establishing the Tentative Budget for FY 2013/14. Establishment of the Tentative Budget statutorily fixes the maximum expenditure limit. The maximum expenditure limit may still be lowered by Council before final budget adoption. Adoption of Ordinance No. 4087 also directs the City Clerk to meet obligations regarding publication and notices imposed by Arizona Revised Statutes or City Charter. Through adoption of Ordinance No. 4087, Council also tentatively adopts the Proposed FY 2013/14 Classification/Compensation Plan in conformity with Scottsdale Revised Code Sec. 14-20, et. seq.

Presenter(s): Daniel Worth, Acting City Manager; David N. Smith, City Treasurer

Staff Contact(s): Brent Stockwell, Strategic Initiatives Director, 480-312-7288, bstockwell@scottsdaleaz.gov; Judy McIlroy, Budget Director, 480-312-2603, jmcilroy@scottsdaleaz.gov

City Treasurer David Smith gave a PowerPoint presentation (attached) outlining the economic impacts of the tentative budget. He opined that although the budget is legally balanced, it is not a sustainable budget because it spends savings to pay for ongoing expenses. He believes the City may continue to enjoy its AAA bond rating; however, approving a budget that uses savings to pay ongoing operating costs will send a negative signal to the rating agencies. Mr. Smith

cautioned that if the additional full-time employees (FTEs) for Fire Station 602 and the Deputy Fire Marshal position are funded, \$800,000 in cuts will be necessary to make the budget sustainable.

MOTION NO. 1 - ITEM 23

Councilman Littlefield moved to cut funding for the Scottsdale Cultural Council by \$800,000. The motion died for lack of a second.

Discussion:

- Acting City Manager Dan Worth confirmed that if a choice is made to use overtime funding to staff Fire Station 602, the Council will be facing the same questions again during next year's budget.
- Mr. Smith said that approving overtime funding to staff Fire Station 602 will make the budget more sustainable than imbedding salary and rate increases for eight new FTEs. This option will give staff a year to find an alternate funding solution.

MOTION NO. 2 - ITEM 23

Councilman Phillips moved to direct the City Manager to develop a budget that is balanced and sustainable. The motion died for lack of a second.

MOTION NO. 3 - ITEM 23

Councilwoman Milhaven moved to adopt Ordinance No. 4087. Councilmember Korte seconded the motion.

Mr. Smith clarified that there is \$5.0M in the budget for contingencies, while cautioning that contingency funds should only be used after all other available funds have been considered.

ALTERNATE MOTION - ITEM 23

Mayor Lane made an alternate motion to adopt Ordinance No. 4087, removing eight positions and using the one-time funding for overtime pay at Fire Station 602. Councilman Robbins seconded the motion.

Mr. Worth confirmed that, by state statute, the City is permitted to take up to a 2% increase in total primary property tax levied each year. This equates to approximately \$500,000 in revenues.

ALTERNATE MOTION - ITEM 23

Councilmember Korte made an alternate motion to increase property taxes to a maximum of 2%, as allowed by state statute, to fund eight positions at Fire Station 602. The motion died for lack of a second.

VOTE ON ALTERNATE MOTION - ITEM 23

The Council vote on the alternate motion to adopt Ordinance No. 4087, removing eight positions and using the one-time funding for overtime at Fire Station 602 failed 3/4, with Councilmembers Korte, Littlefield, Milhaven, and Phillips dissenting.

AMENDED MOTION - ITEM 23

Councilwoman Milhaven moved to amend her original motion to adopt Ordinance No. 4087, with the understanding that the eight positions at Fire Station 602 and the Fire Marshal position will be paid in the current year out of one-time monies. The motion died for lack of a second.

VOTE ON MOTION NO. 3 - ITEM 23

The Council vote on the motion to adopt Ordinance No. 4087 failed 2/5, with Mayor Lane; Vice Mayor Klapp; and Councilmembers Littlefield, Phillips, and Robbins dissenting.

MOTION NO. 4 - ITEM 23

Councilman Littlefield moved to cut funding for the Scottsdale Cultural Council by \$800,000. The motion died for lack of a second.

MOTION NO. 5 - ITEM 23

Councilwoman Milhaven moved to adopt Ordinance No. 4087, reducing contingency from \$5.0M to \$4.0M. Councilmember Korte seconded the motion. No vote taken.

Discussion:

- Mr. Smith confirmed that there is no stipulated dollar amount for contingency, but, traditionally, the practice has been to keep it at \$5.0M.
- Mr. Worth said there is a high likelihood that \$800,000 can be found through savings over the course of the year.

ALTERNATE MOTION - ITEM 23

Councilman Phillips made an alternate motion to adopt the budget, with a stipulation that the Acting City Manager find \$800,000 in savings over the next year that is sustainable. The motion died for lack of a second.

Discussion:

- Mr. Smith clarified that as monies are found, staff has the ability to come before Council for additional staffing authorization throughout the year. The City Manager could be directed to identify \$800,000 in savings as early as possible, and those savings could, with Council approval, be reapplied to the eight Fire Department positions.
- Mr. Worth confirmed that Fire Station 602 could continue to operate as it has, with one company using the automatic aid partners, until monies are found to fund a second company.

ALTERNATE MOTION - ITEM 23

Councilman Littlefield made an alternate motion to pass the budget and hope that the City Manager can come up with \$800,000. Councilman Phillips seconded the motion. No vote taken.

Fire Chief Tom Shannon discussed the reasons for initially splitting the multi-company stations. He also reviewed the statistics that indicate the need for two companies at Fire Station 602. Fire Chief Shannon confirmed that Fire Station 602 uses the automatic aid excessively. He advised that the addition of \$425,000 to the overtime budget will minimally staff Station 602.

ALTERNATE MOTION - ITEM 23

Councilman Robbins made an alternate motion to adopt Ordinance No. 4087, modifying it so that Fire Station 602 will be staffed using one-time overtime funds of up to \$425,000, and then, as the City Manager sees opportunity to save ongoing expenses, hire full-time employees to the appropriate staffing levels. Vice Mayor Klapp seconded the motion.

MOTION AND VOTE - CALL FOR THE QUESTION - ITEM 23

Vice Mayor Klapp moved to call the question. Councilwoman Milhaven seconded the motion, which carried 5/2, with Councilmembers Littlefield and Phillips dissenting.

VOTE ON ALTERNATE MOTION - ITEM 23

The Council vote on the alternate motion to adopt Ordinance No. 4087, modifying it so that Fire Station 602 will be staffed using one-time overtime funds of up to \$425,000, and then, as the City Manager sees opportunity to save ongoing expenses, hire full-time employees to the appropriate staffing levels carried 5/2, with Councilmembers Littlefield and Milhaven dissenting.

24. Tourism Development and Marketing Strategic Plan

Request: Adopt **Resolution No. 9404** to:

1. Approve the 2012 Tourism Development and Marketing Strategic Plan and Plan Implementation Process documents.
2. Establish specific funding for the Fiscal Year 2013/14 Plan.
3. Approve the Tourism Development and Marketing Strategic Plan Advisory Task Force Application.

Presenter(s): Steve Geiogamah, Tourism Development Coordinator

Staff Contact(s): Paul Katsenes, Community and Economic Development Executive Director, 480-312-2890, pkatsenes@scottsdaleaz.gov

Tourism Development Coordinator Steve Geiogamah gave a PowerPoint presentation (attached) on the proposed Tourism Development and Marketing Strategic Plan.

PLACES Consulting Principal Consultant Valeri LeBlanc presented recommendations on how to bring visitors and residents to downtown Scottsdale. Her recommendations included bringing the outdoor desert experience to the downtown area. Ms. LeBlanc explained that making the desert experience part of downtown will help people understand what the desert is about and entice them to use trail connections to experience the desert. She opined that a plan is successful when it brings a city back to what it is about.

MOTION AND VOTE - ITEM 24

Councilmember Korte moved to adopt Resolution No. 9404 to:

1. Approve the 2012 Tourism Development and Marketing Strategic Plan and Plan Implementation Process documents.
2. Establish specific funding for the Fiscal Year 2013/14 Plan.
3. Approve the Tourism Development and Marketing Strategic Plan Advisory Task Force application.

Councilman Phillips seconded the motion, which carried 7/0.

25. Monthly Financial Update

Request: Receive, discuss, and provide possible direction on the City Treasurer's monthly financial presentation as of April 2013.

Presenter(s): Joyce Gilbride, Accounting Director

Staff Contact(s): David N. Smith, City Treasurer, 480-312-2364,
dasmith@scottsdaleaz.gov

Accounting Director Joyce Gilbride gave a PowerPoint presentation (attached) on the City's financial status as of April 30, 2013.

City Treasurer David Smith confirmed that the FY 2012/13 building permits are at \$8.7M and the forecast is \$10.5M. The forecast for FY 2013/14 is \$9.9M.

PUBLIC COMMENT – None

CITIZEN PETITIONS

26. Receipt of Citizen Petitions

Request: Accept and acknowledge receipt of citizen petitions. Any member of the Council may make a motion, to be voted on by the Council, to: (1) Direct the City Manager to agendize the petition for further discussion; (2) direct the City Manager to investigate the matter and prepare a written response to the Council, with a copy to the petitioner; or (3) take no action.

Staff Contact(s): Carolyn Jagger, City Clerk, 480-312-2411, cjagger@scottsdaleaz.gov

No citizen petitions were received.

MAYOR AND COUNCIL ITEMS – None

ADJOURNMENT

With no further business to discuss, the Regular Meeting adjourned at 7:55 P.M.

SUBMITTED BY:



Carolyn Jagger
City Clerk

Officially approved by the City Council on

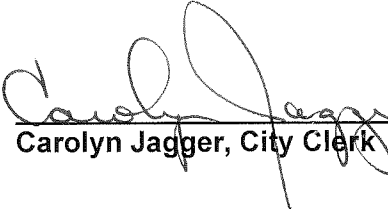
June 18, 2013

CERTIFICATE

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Regular Meeting of the City Council of Scottsdale, Arizona held on the 14th day of May 2013.

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

DATED this 18th day of June 2013.



Carolyn Jagger, City Clerk

EPCOR Water Franchise Agreement

City Council
May 14, 2013

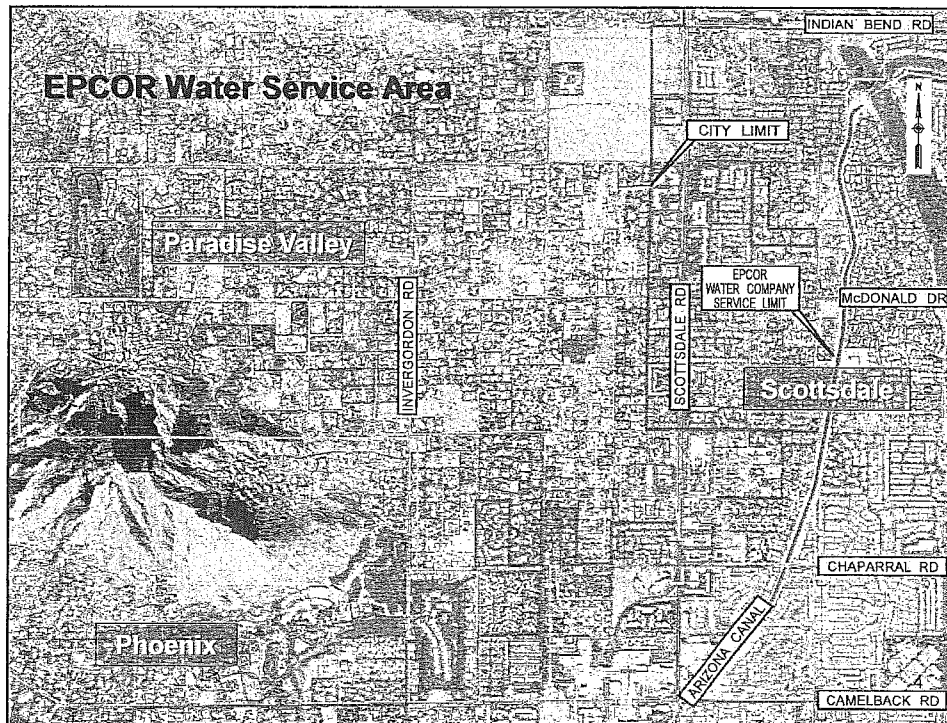
Franchise Requirements

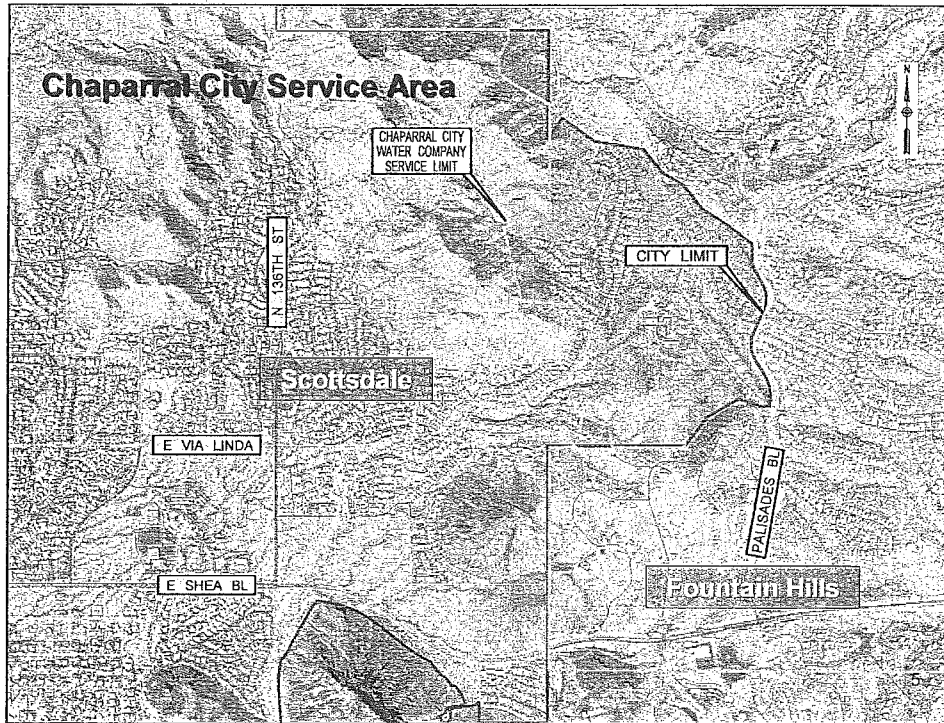
- A franchise agreement allows a utility company to use the city's rights of way for their facilities and equipment in order to provide service to businesses and citizens.
- The agreement specifies the fee that the city may collect for this privilege.
- The agreement specifies the responsibilities of each party in the relocation of the facilities of the company, and who pays.
- State law and the Scottsdale City Charter require a public utility franchise agreement to be approved by the voters.

Franchise History

- EPCOR and its predecessors have been providing water to portions of Scottsdale since the 1950's.
- EPCOR also holds franchise agreements in Buckeye, Peoria, Lake Havasu City, Edmonton (Alberta), among others.
- No franchise agreement has previously been approved with Scottsdale.
- Other utility franchise agreements recently approved:
 - Southwest Gas – March, 2012
 - APS – November, 2004

3





Elements of Agreement

- EPCOR shall have the right to locate and operate their potable water transmission and distribution lines and physical plant within city rights of way.
- EPCOR shall relocate its facilities in the right of way when requested by the city to accommodate capital improvement projects.
- EPCOR shall pay a franchise fee of 2% of gross revenues resulting from sales of water service within the limits of the city.
- Risk and insurance issues are addressed by agreement.
- The term of the agreement shall be 25 years from the effective date.

Election Information

- Resolution to call November election approved by Council on April 9th
- EPCOR will share the cost of the election based on the number of items to be placed on the ballot – amount of \$90,000 to be deposited with the city.
- Special Election to be held Tuesday, November 5, 2013, if agreement approved by Council.
- New agreement effective January 1, 2014 if approved by voters.

7

Requested Action

- **Adopt Resolution 9405:**
- Declaring the proposed EPCOR Water Franchise Agreement 2013-062-COS beneficial to the City
- Submitting the question to the voters at the November 5, 2013 special election and approving the ballot language
- Estimating the cost of the election to be paid by Southwest Gas Corporation at \$90,000 and authorizing publication of agreement.

8



FY 2013/14 Rates & Fees

City Council, May 14, 2013

Non-Enterprise Rates & Fees Policy



- Annual review to determine direct and indirect cost of service recovery rate
- Acceptable recovery rate and associated rate and fee changes approved by City Council
- Proposals for rates and fee changes submitted by:
 - Community & Economic Development -Planning & Development
 - WestWorld
 - Community Services
 - Public Safety - Fire
 - Public Safety – Police

Non-Enterprise Rates & Fees Proposals



- **New rates estimated to increase General Fund revenue by \$494,650 for FY 2013/14**
 - \$ 37,500 Community & Economic Development
 - \$ 400,000 WestWorld
 - \$ 54,340 Community Services
 - \$ 2,810 Public Safety – Fire

 - \$ 10,000 Public Safety – Police (Risk Fund)

3

Community & Economic Development



- **Wireless Communications Facilities in Right-of-Way**
 - Proposed increase of 3% for new or post July 2009 installations
 - Proposed increase of 6% for pre-July 2009 (“Grandfathered”) installations
 - Rate published for FY 2012/13 did not include 3% increase as anticipated
- **Additional General Fund revenue of \$37,500 for FY 2013/14**

4

WestWorld



- Anticipated opening of Tony Nelssen Equestrian Center
 - Establish rental rates for new facilities
 - Revise current rental rates for existing arenas, parking lots, and labor
 - Revised fee methodologies for miscellaneous charges
 - Remove obsolete charges
- Additional General Fund revenues of approximately \$400,000 for FY 2013/14 based on new rates for new facilities as well as increased existing rates

5

WestWorld



Program/Fee	Fee Assessed	FY 12/13 Fee	Proposed FY 13/14 Fee	Increase Amt	% Change	Revenue Change
Equidome w/new Paddock	per Day	\$1,250	\$2,250	\$1,000	80%	\$88,600
Arena 3 & 5A Rental Fee	per Day	\$350	\$500	\$150	43%	\$24,285
Arenas 4,5,6,7,8 Rental Fee	per Day	\$250	\$300	\$50	20%	\$18,090
Field East or West - 4 hour or less rental	per Rental	-	\$450	\$450	n/a	\$ 1,800
Stall Clean Up/Manure Haul Off previously two fees now combined	per Stall	\$13.75	\$14.00	\$0.25	2%	\$18,000
Clean-Up Labor Rate	per Hour	\$16.50	\$20	\$3.50	21%	\$30,800
Misc /other	varied					\$4,300
Total Additional General Fund Revenue						\$185,875

Note: When Rental Fees change, corresponding Move In/Out Fees and Warm Up Fees also change
 Move In/Out Fees = 33% of Base Rate
 Warm Up Fees = 50% of Base Rate

6

WestWorld- Tony Nelssen Equestrian Center



Proposed Rates for anticipated rentals starting in FY 2013/14

	Move-in/Out 33% of Base Rate	Warm-Up 50% of Base Rate	Daily Base Rate	Lights	HVAC
TNEC Facility includes North Hall, South Hall, Equidome & Paddock	\$2,800	\$4,250	\$8,500	Incl.	Incl.
Equidome & Paddock	\$750	\$1,125	\$2,250	Incl.	Incl.
<i>TNEC North Hall</i>					
North Hall : Commercial Use (minimum 20,000 sq. foot rental required)	\$1,650	n/a	\$5,000 min or \$.15 / sq. ft.	Incl.	Incl.
North Hall: Use as Equestrian Vendor Space (when renting the Equidome)	n/a	n/a	\$.25/ sq. ft.	Incl.	Incl.
North Hall: Arena (1 available)	\$500	\$750	\$1,500	Incl.	Incl.
North Hall: Use as stalls (per stall)	n/a	n/a	\$25	Incl.	Incl.
<i>TNEC South Hall</i>					
South Hall: Commercial Use	\$825	n/a	\$2,500	Incl.	Incl.
South Hall: Use as Equestrian Vendor Space (when renting Equidome)	n/a	n/a	\$.25/ sq. ft.	Incl.	Incl.
South Hall: Use as stalls (per stall)	n/a	n/a	\$25	Incl.	Incl.

7

Community Services



- Annual review of Programming and Rental Fees Schedule resulted in the following proposals
 - McDowell Mountain Ranch Skate Park
 - Establish new fees
 - Scottsdale Stadium
 - Revise various rental rates and establish four new miscellaneous fees
 - Indian School Park (ISP)
 - Demand for fields by Youth Leagues necessitates removing ISP from Youth Sports Allocation rates and establishing Youth League rates
 - Scottsdale Sports Complex
 - Revise various rental rates and establish vendor fees

8

Community Services



- Annual review of Programming and Rental Fees Schedule resulted in the following proposals
 - Other New Fees:
 - Film fees for non-reservable park locations
 - Memorialize card fees for replacement access cards
 - Correct administrative errors on FY 2012/13 schedule
- Additional General Fund revenues of \$54,340 for FY 2013/14 based on estimated participation

9

Community Services



McDowell Mountain Ranch Skate Park:

The following new fees are being proposed effective July 1, 2013

Program/Fee	Fee Assessed	Proposed FY 13/14 Fee	Revenue Anticipated
Skate Park Access Fee – 6 Month Pass	Each	\$26	\$3,900
Skate Park Access Fee – Daily Drop In	Each	\$1	\$100
Skate Park Event Fee – Hourly Rate, Small Event 50 or fewer attendees	per Hour	\$70	\$560
Skate Park Event Fee – Hourly Rate, Large Event 51-125 attendees	per Hour	\$100	\$800
Skate Park Event Fee – Daily Rate	per Day	\$800	\$1,600
Total Additional General Fund Revenue			\$6,960

10

Community Services



Scottsdale Stadium Fees:

Program/Fee	Fee Assessed	FY 12/13 Fee	Proposed FY 13/14 Fee	Increase Amt	% Change	Revenue Change
Field Usage Fee – Hourly, Stadium Rate	per Hour	\$75	\$100	\$25	33%	\$2,725
Field Usage Fee – Hourly, Commercial Rate	per Hour	\$94	\$125	\$31	33%	\$1,240
Field Usage Fee – Daily, Stadium Rate	per Day	\$480	\$600	\$120	25%	\$1,680
Field Usage Fee – Daily, Commercial Rate	per Day	\$600	\$750	\$150	25%	\$450
Stadium Film Fee – Stadium Rate (new fee)	per Day	n/a	\$60	\$60	n/a	\$120
Stadium Film Fee – Commercial Rate (new fee)	per Day	n/a	\$120	\$120	n/a	\$240
Stadium Linen Rental Fee – Stadium Rate (new fee)	per Linen	n/a	\$7	\$7	n/a	\$70
Stadium Linen Fee – Commercial Rate (new fee)	per Linen	n/a	\$10	\$10	n/a	\$100
Total Additional General Fund Revenue						\$6,625

11

Community Services



Establish the Following Youth League Fees at Indian School Park (ISP):

Program/Fee	Fee Assessed	FY 12/13 Fee	Proposed FY 13/14 Fee	Increase Amt	% Change	Revenue Change
ISP Field Usage – Youth Leagues	per Hour	\$3	\$22	\$19	633%	\$1,820
ISP Lighting Fee - Youth Leagues	per Hour	n/a	\$15	\$15	n/a	\$480
ISP Field Prep – Youth Leagues	per Game	n/a	\$25	\$25	n/a	\$150
Total Additional General Fund Revenue						\$2,450

12

Community Services



Scottsdale Sports Complex:

Program/Fee	Fee Assessed	FY 12/13 Fee	Proposed FY 13/14 Fee	Increase Amt	% Change	Revenue Change
Standard Field Prep Fee	per Layout	\$35	\$50	\$15	43%	\$3,700
Custom Field Prep Fee	per Layout	\$50	\$75	\$25	50%	\$2,000
Youth Field Rental	per Hour	\$12	\$24	\$12	100%	\$17,480
Adult Field Rental	per Hour	\$15	\$30	\$15	100%	\$7,700
Vendor Fee (first vendor included in event fee; new fee for each additional vendor after the first vendor)	per Vendor Per Event	n/a	\$100	\$100	n/a	\$6,000
Total Additional General Fund Revenue						\$36,880

13

Community Services - Other



Program/Fee	Fee Assessed	FY 12/13 Fee	Proposed FY 13/14 Fee	Increase Amt	% Change	Revenue Change
Film Fees:						
Park Non-Reservable Area Film Fee – Resident	per Day	n/a	\$30	\$30	n/a	\$90
Park Non-Reservable Area Film Fee – Non-Resident	per Day	n/a	\$45	\$45	n/a	\$135
Park Non-Reservable Area Film Fee – Commercial	per Day	n/a	\$120	\$120	n/a	\$1,200
Other:						
Card Fee – memorialize existing fee for replacement of lost cards	each	n/a	\$5	\$5	n/a	-
Total Additional General Fund Revenue						\$1,425

14

Community Services - Schedule Corrections



The following fees are missing from or incorrect on the FY 12/13 Fee Schedule and will be corrected for the FY 13/14 Fee Schedule :

Program/Fee	Fee Assessed	FY 12/13 Fee	Proposed FY 13/14 Fee	Increase Amt	% Change	Revenue Change
Facility Reservation – Commercial	per Permit	Omitted	\$7	-	-	-
Club SAR Daily Admission - Non-Resident	per Day	\$4.50	\$5	\$0.50	11%	-
Facility Room Rental (Indoor) –Medium – Commercial Rate	per Hour	\$45	\$60	\$15	33%	-
Court/Tennis – Tournament	per Match	\$4	\$5	\$1	25%	-
Total Additional General Fund Revenue						minimal

15

Public Safety



- Fire Department
 - Establish two new fees for classes
- Police Department
 - Revise Off-Duty related fee

Program/Fee	Fee Assessed	FY 12/13 Fee	Proposed FY 13/14 Fee	Increase Amount	% Change	Revenue Change
<i>Fire:</i>						
Community Emergency Response Team (CERT) Class (new fee for materials costs)	per Participant	n/a	\$35	\$35	n/a	\$1,750
CPR/First Aid Combo Class (new fee)	Per Class	n/a	\$44	\$44	n/a	\$1,060
Total Additional General Fund Revenue						\$2,810
<i>Police:</i>						
Off-Duty Insurance Waiver	per Hour	\$9	\$10	\$1	11%	\$10,000
Total Additional Risk Fund Revenue						\$10,000

16

Enterprise Rates & Fees



Rates & Fees Policy

Enterprise Funds:

Water, Sewer, Solid Waste, Aviation

- 100% recovery of all direct and indirect costs of service
- Rates based on multi-year financial plans and required reserve levels



Water Rate and Charges Change Proposals

- Reduce water revenues by \$1.6M for fiscal year 2013/14 by implementing:
 - A revised residential and non-residential rate structure that reduces the cost of lower tiered consumption rates
 - A new irrigation specific tiered-rate structure for non-residential irrigation
 - Revised water service charges
 - A flat stormwater fee

19

Water Reclamation Rate and Charges Change Proposals

- Increase water reclamation revenues by \$1.4M for fiscal year 2013/14 by implementing:
 - A four percent across-the-board rate increase
 - Incorporating the environmental fees into the basic rate structure component
 - Revised water reclamation service charge and minimums



20

Water Resources - Summary

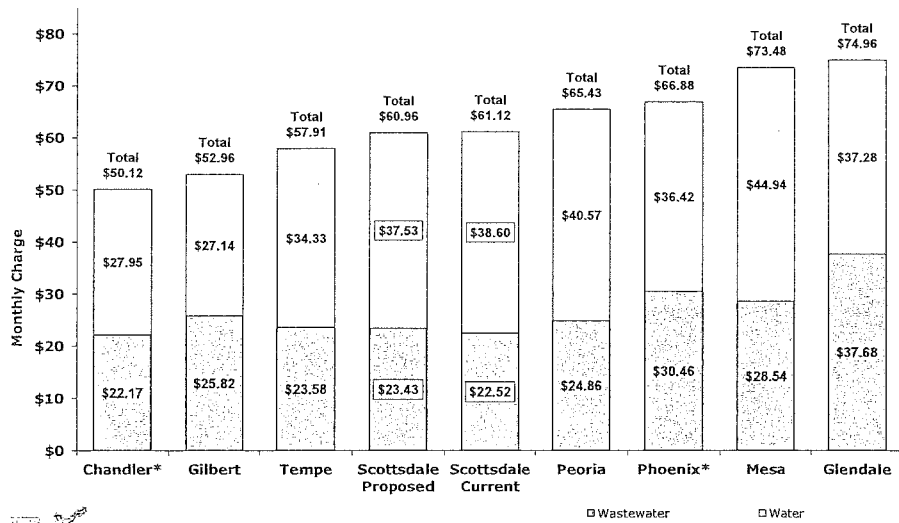
Revised Rates Anticipated To (Reduce)/Generate Revenue	
Water	(\$1.6) million
Water Reclamation	\$1.4 million
Net Change	(\$0.2) million



21

Residential Utility Bill Comparison

Water Use 11,500 Gallons on 5/8" Meter; Sewer Use 8,000 Gallons



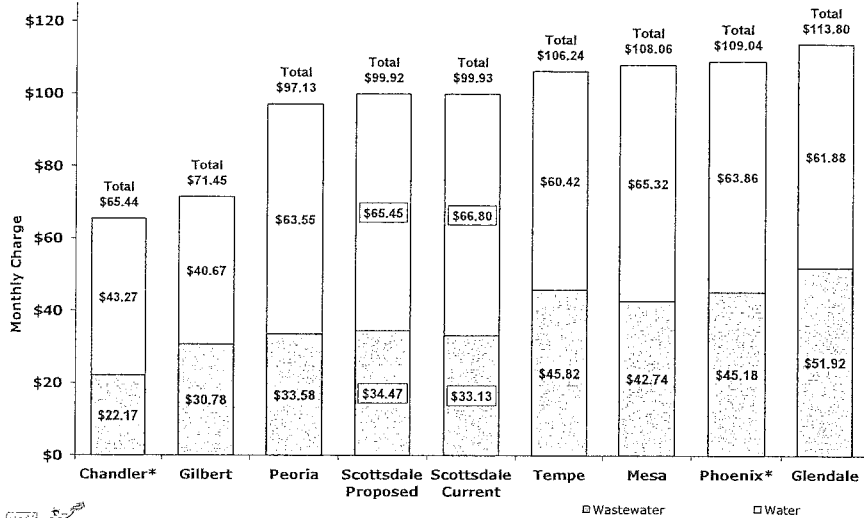
*Chandler and Phoenix seasonal rates have been averaged.
If a city does not use 5/8" meters, the 3/4" meter rate is used

□ Wastewater □ Water

22

Residential Utility Bill Comparison

Water Use 17,000 Gallons on 1" Meter; Sewer Use 12,000 Gallons



*Chandler and Phoenix seasonal rates have been averaged.

23

Rates & Fees Staff Recommendations

- Public Safety
 - Adopt Resolution No. 9358
 - Adopt Resolution No. 9359
- Community Services
 - Adopt Resolution No. 9382
- WestWorld
 - Adopt Resolution No. 9383
- Community & Economic Development – Wireless Communication Facilities
 - Adopt Resolution No. 9387
- Water and Water Reclamation
 - Adopt Resolution No. 9374 & Ordinance No. 4077



24

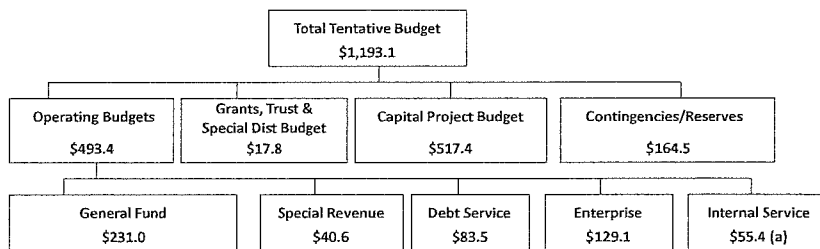
Item 23

FY 2013/14 Tentative Budget



City Council
May 14, 2013

Tentative FY 2013/14 Budget (\$ millions)



(a) Internal Service Fund Charges of \$46.0 million are included in the budgets of other funds and are, therefore, eliminated in the total Operating Budgets of \$493.4.

General Fund Plan (in millions)

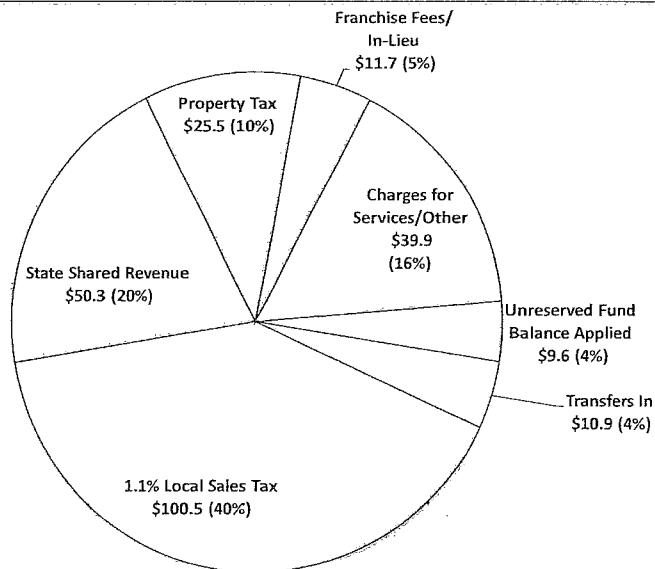
<u>Sources</u>		<u>Uses</u>	
Operating Revenues	\$227.9	Services/Programs	\$227.8
Transfers	<u>10.9</u>	Debt/Contracts	<u>3.2</u>
Total Sources	\$238.8	Subtotal	\$231.0
Unrsvd Funds Appld	<u>9.6</u>	Transfers Out	<u>17.5</u>
Total Sources & UFB	\$248.4	Total Uses	\$248.4

Fund Balance at 6/30/14

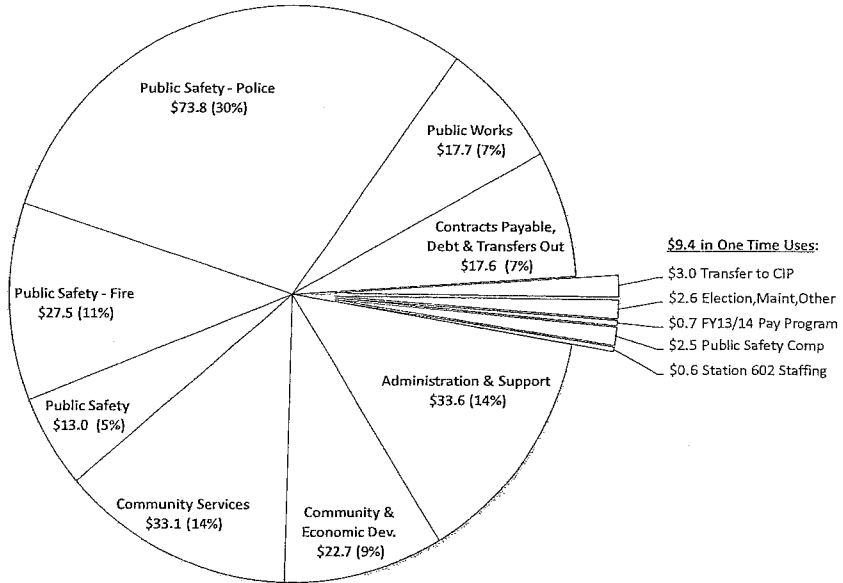
General Fund Reserve	\$25.5
Operating Contingency	5.0
Unreserved Fund Balance	<u>1.8</u>
Total Fund Balance	\$32.3

General Fund Sources FY 2013/14 \$248.4M

(in millions)



General Fund Uses - FY 2012/13 Tentative \$248.4



FY 2013/14 Tentative Budget



City Council
May 14, 2013

FY 2013/14 Tentative Budget Supplemental Slides



Changes That Impact FY 2012/13 Year End Forecast

- **1.65% Sales Tax Revenues**
 - Due to increased collections over the last few months, the sales tax forecast was re-reviewed and an increase to the forecast was applied (\$0.7 million General, Transportation, and Preserve Funds).
- **Building Permit Fees & Charges**
 - Due to increased collections over the last few months, the building permit fees and charges was re-reviewed and an increase to the forecast was applied (\$0.3 million General Fund).

Changes That Impact FY 2012/13 Year End Forecast

- Property Rental
 - Increase in forecast to better reflect expected collections (\$0.1 million General Fund).
- Miscellaneous
 - Increased revenues to account for the final refund from an investment pool bankruptcy settlement (\$0.5 million General Fund).
- CIP PAYGO
 - Increased transfer out to CIP as a result of increase to construction sales tax forecast. Per adopted financial policy #18, the transfer to CIP should be no less than 25 percent of construction sales tax (\$0.0 million General Fund).

Changes to the FY 2013/14 Sources Budget

- 1.65% Sales Tax Revenues
 - Due to increased collections over the last few months, the sales tax forecast was re-reviewed and an increase to the forecast was applied (\$0.3 million General, Transportation, and Preserve Funds).
- Indirect Cost Allocation
 - Modified the FY 2013/14 indirect cost allocation change to phase in over three years vs. two (\$0.2 million increase to the General Fund).
- (Transfers In) Enterprise Franchise Fees
 - Increased Enterprise Franchise Fees to align with Water and Sewer expected revenues (\$0.0 million increase to the General Fund).

Changes to the FY 2013/14 Uses Budget

- City-wide/Multiple Divisions:
 - Tuition Reimbursement Program – Added one-time funding for a tuition reimbursement program with participants paying at least 50 percent of their tuition with a maximum reimbursement of \$2,000 per participant (\$0.1 million General Fund).
- Charter Officers:
 - City Auditor – Added funding for license renewal fees on data extraction and analysis software (\$0.0 million General Fund).
 - City Court – Added one-time funding to reduce the City Court's DUI backlog (\$0.1 million General Fund).

Changes to the FY 2013/14 Uses Budget (con't)

- Community & Economic Development:
 - Cultural Council – Added funding for a 3 percent increase to the Management Service Agreement (\$0.1 million General Fund).
- Community Services:
 - Scottsdale Stadium – Added funding to lease sports field equipment and cover regular scheduled maintenance of leased equipment (\$0.0 million General Fund).
 - Grants – Grant revenue and expenses were reduced to reflect actual grant award amount ((\$0.0) million Grant Funds).

Changes to the FY 2013/14 Uses Budget (con't)

- **Public Safety - Fire:**
 - Fire Station 602 – Added funding for a second fire company at Station 602 and associated training (\$0.6 million General Fund).
 - Deputy Fire Marshal – Added funding for a Deputy Fire Marshal to allow for more building inspections and to conduct inspections on a more timely basis (\$0.1 million General Fund).
- **Public Safety - Police:**
 - Public Safety Compensation – Added one-time funding to address retention issues (\$2.5 million General Fund).
 - Dispatch Pipeline Program – Added funding to create a dispatch pipeline program (\$0.1 million General Fund).

Changes to the FY 2013/14 Uses Budget (con't)

- **Tourism Development Fund:**
 - Contingency – Added a contingency budget to ensure sufficient budget authority is available in the event City Council approves using the carryover funding (\$2.5 million Tourism Development Fund).

Changes to the FY 2013/14 Capital Improvement Plan

- **Community Facilities:**
 - WestWorld Paving Reconstruction (TEMP1215) – Increased budget based on updated cost estimates (\$1.3 million General Fund).
 - Marshall Way Public Art (TEMP1221) – Created new project; thereby, increasing the amount budgeted for FY 2013/14 (\$0.2 million Bed Tax).
 - Belleview Land Acquisition (D1303) – Transferred contingency to create new project per Resolution No. 9390 approved by City Council on April 16, 2013 (\$0.3 million General Fund).

Changes to the FY 2013/14 Capital Improvement Plan

- **Preservation:**
 - South Area Trail Construction (P1101) - Increased budget based on updated cost estimates (\$0.8 million Preservation Sales Tax).
 - North Area Access Control & Stabilization (P1305) - Increased budget based on updated cost estimates (\$0.3 million Preservation Sales Tax).
- **Drainage & Flood Control:**
 - DC Ranch Lot Acquisition (D1302) – Transferred contingency to create a new project per Resolution No. 9343 approved by City Council on March 5, 2013 (\$0.6 million General Fund).

Item 24

Tourism Development & Marketing Strategic Plan

City Council Meeting
May 14, 2013

Tourism Strategic Plan

Request approval of the following:

- 2012 Tourism Plan and Implementation Process
- Establishment of specific funding for FY 2013/14
Plan cost
- Advisory Task Force application process

Tourism Strategic Plan

The strategies and tactics outlined in the report provide:

- An opportunity to enhance the destination
- To ensure Scottsdale's competitive position

3

Tourism Strategic Plan

Plan Implementation:

- Maximizing Economic Impact
- Examination of Resources
- Prioritize complex plan elements
- Return on Investment

4

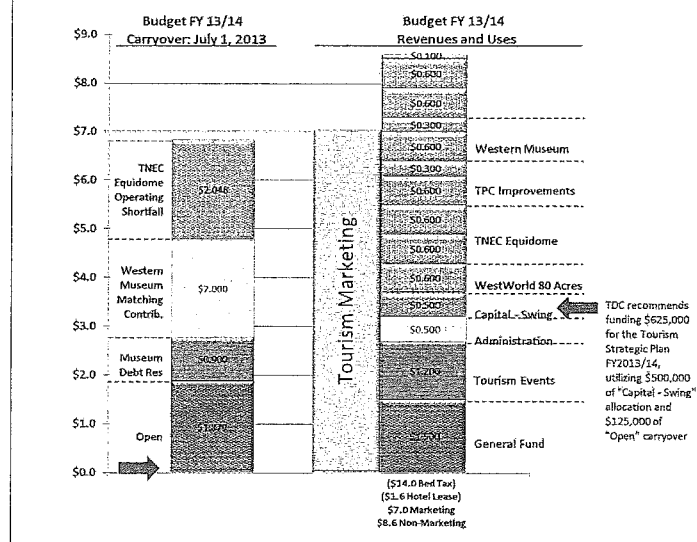
Tourism Strategic Plan

Plan Priorities FY 2013/14:

- Generate a Downtown Economic Plan – establish the marketing potential for Downtown
- Work with tourism businesses to deepen content and understanding of Scottsdale and bring outdoor experiences Downtown
- Create an animated Downtown Scottsdale- events, happenings, and festivals

5

Tourism Development Fund Allocation (\$ in millions)



6

Tourism Strategic Plan

Advisory Task Force:

- Custodians of the Plan's vision and strategies
- Communicates with strategic leads and City Council
- Ensures plan is achieving objectives and milestones
- Provides communication structure

7

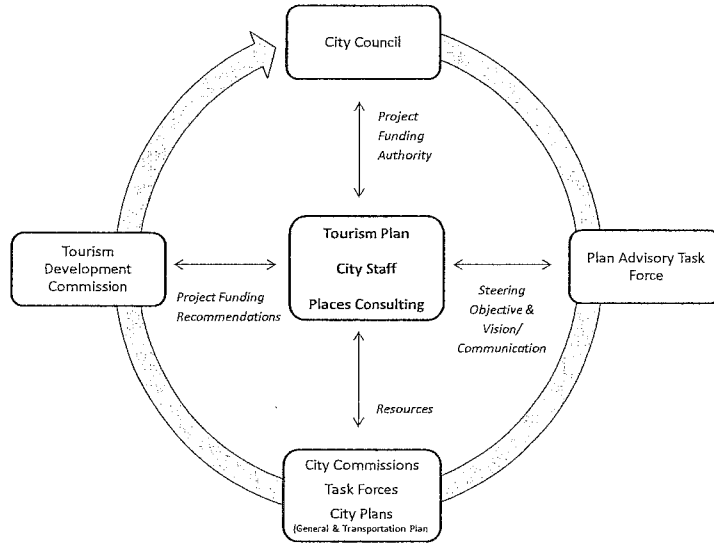
Tourism Strategic Plan

Application Process-Nine group members will provide comprehensive input from the Community

- Tourism Industry
- Business Development
- Arts & Culture
- Next Generation
- Environmental and/or Civically Engaged

8

Tourism Strategic Plan



Monthly Financial Update

As of April 30, 2013

City Council
 May 14, 2013
 Prepared by: Finance and Accounting Division

General Fund Operating Sources

April 2013: Fiscal Year to Date

(in millions: rounding differences may occur)

Sources Category	FY 10/11	FY 11/12	FY 12/13	FY 12/13	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
Sales Tax: 1.0% General Purpose	\$66.4	\$69.7	\$73.1	\$73.9	(\$0.7)	(1%)
0.1% Public Safety	6.4	6.8	7.1	7.2	-	-
State Shared: Sales Tax	14.6	14.0	14.5	14.9	(0.4)	(3%)
Revenue	19.0	15.3	18.5	18.5	-	-
Auto Lieu Tax	6.5	6.1	5.6	6.1	(0.5)	(8%)
Property Taxes (Primary)	16.5	17.6	17.5	16.9	0.6	3%
Franchise Fees/In-Lieu Tax	10.3	10.6	10.9	10.3	0.6	5%
Other: Licenses, Permits & Fees	6.7	6.7	6.6	6.8	(0.2)	(3%)
Fines & Forfeitures	5.8	6.1	5.7	5.8	(0.1)	(2%)
Miscellaneous	7.5	8.0	8.5	4.5	4.0	90%
Building Permits	5.9	6.8	9.3	6.9	2.4	35%
Interest Earnings	1.5	0.7	1.1	0.9	0.2	19%
Indirect Cost Allocations	11.6	7.2	5.9	5.9	-	-
Transfers In	10.2	8.4	6.0	6.8	(0.7)	(11%)
<i>Subtotal Operating Sources</i>	<i>\$189.1</i>	<i>\$183.9</i>	<i>\$190.4</i>	<i>\$185.4</i>	<i>\$5.1</i>	<i>3%</i>
Bond Proceeds*	-	-	31.0	31.0	-	-
Bed Taxes	10.4	10.9	-	-	-	-
<i>Total Operating Sources</i>	<i>\$199.5</i>	<i>\$194.8</i>	<i>\$221.4</i>	<i>\$216.4</i>	<i>\$5.1</i>	<i>2%</i>

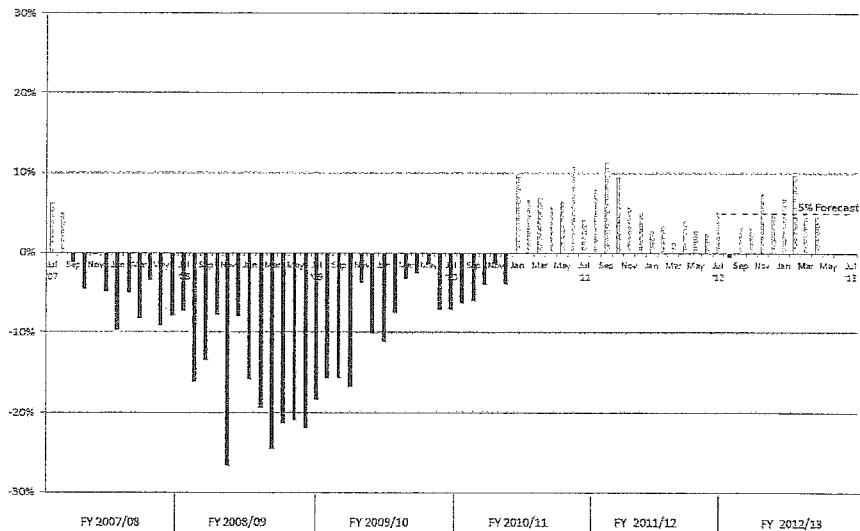
* To fund the Nordstrom Garage Lease Payoff

General Fund Operating Sources: Sales Tax April 2013: Fiscal Year to Date

(in millions: rounding differences may occur)

1.0% Sales Tax Category	FY 10/11	FY 11/12	FY 12/13	FY 12/13	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
<u>Consumer Spending:</u>						
Small retail stores	\$10.7	\$11.7	\$12.1	\$12.7	(\$0.7)	(5%)
Large retail stores	7.4	7.6	7.7	8.0	(0.3)	(4%)
Misc goods & services	4.8	5.0	5.6	5.1	0.5	9%
Grocery & convenience	5.2	5.3	5.4	5.4	-	-
Auto sales & maintenance	7.3	7.9	8.9	8.7	0.2	2%
<u>Tourism/Entertainment:</u>						
Hotel lodging & misc sales	3.3	3.5	3.6	3.5	0.1	3%
Restaurants & bars	5.9	6.4	6.6	6.8	(0.2)	(3%)
<u>Business:</u>						
Construction	5.9	6.6	7.1	7.9	(0.8)	(10%)
Rental	9.7	9.8	10.3	9.9	0.3	3%
Utilities	3.7	3.7	3.7	3.7	-	-
Licenses, penalties/interest	1.9	1.9	1.9	2.1	(0.2)	(10%)
<i>Subtotal 1.0% Sales Tax</i>	<i>\$65.9</i>	<i>\$69.3</i>	<i>\$72.8</i>	<i>\$73.9</i>	<i>(\$1.1)</i>	<i>(2%)</i>
Large Audit Adjustments	0.5	0.4	0.4	0.0	0.4	
<i>Total 1.0% Sales Tax</i>	<i>\$66.4</i>	<i>\$69.7</i>	<i>\$73.1</i>	<i>\$73.9</i>	<i>(\$0.7)</i>	<i>(1%)</i>

General Fund Sales Tax: 1.0% General Purpose – Year over Year Change (excluding large audit adjustments)



General Fund Operating Uses: by Category April 2013: Fiscal Year to Date

(in millions: rounding differences may occur)

Category	FY 10/11	FY 11/12	FY 12/13	FY 12/13	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
Personnel Services*:						
Salaries & Wages	\$100.3	\$94.8	\$95.2	\$95.5	\$0.3	-%
Overtime	4.8	5.4	5.8	5.0	(0.8)	(16%)
FICA	6.9	6.6	6.5	6.6	0.1	1%
Retirement	11.2	11.5	13.3	13.2	(0.1)	-%
Health/Dental & Misc	9.6	11.5	12.5	12.8	0.2	2%
<i>Total Personnel Services</i>	<i>\$132.8</i>	<i>\$129.8</i>	<i>\$133.3</i>	<i>\$133.1</i>	<i>(\$0.2)</i>	<i>-%</i>
Contractual, Commodities, Capital Outlay	44.1	41.2	44.7	48.0	3.3	7%
<i>Total Operating Expenses</i>	<i>\$176.9</i>	<i>\$171.0</i>	<i>\$178.0</i>	<i>\$181.0</i>	<i>\$3.0</i>	<i>2%</i>
Debt Serv. & Contracts	3.5	7.6	33.9*	33.9*	-	-%
Transfers Out	6.0	10.0	3.4	3.0	(0.4)	(13%)
<i>Total Operating Uses</i>	<i>\$186.4</i>	<i>\$188.5</i>	<i>\$215.3</i>	<i>\$218.0</i>	<i>\$2.6</i>	<i>1%</i>
*Pay Periods thru April:	22	22	22			

* The Nordstrom Garage Lease Payoff

General Fund Operating Uses: by Division April 2013: Fiscal Year to Date

(in millions: rounding differences may occur)

Division	FY 10/11	FY 11/12	FY 12/13	FY 12/13	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
Mayor & Council, Charter Officers	\$15.8	\$14.4	\$15.1	\$15.8	\$0.8	5%
Administrative Services	11.9	11.5	11.8	11.9	0.1	1%
Comm. & Econ Development	21.8	19.8	19.4	19.3	-	-%
Community Services	27.8	25.4	26.8	28.4	1.6	6%
Public Safety - Fire	22.1	22.3	24.3	24.6	0.3	1%
Public Safety - Police	65.5	65.4	66.8	67.1	0.3	-%
Public Works	12.0	12.2	13.9	14.0	0.1	-%
<i>Total Operating Expenses</i>	<i>\$176.9</i>	<i>\$171.0</i>	<i>\$178.0</i>	<i>\$181.0</i>	<i>\$3.0</i>	<i>2%</i>

General Fund - Sources
Year-End Estimate: FY 2012/13

(in millions: rounding differences may occur)

	FY 2012/13 Approved	FY 2012/13 Forecast (In Tentative Budget)	Variance	
			Fav/(unf)	%
1.1% Sales Taxes	\$97.3	\$96.5	(\$0.9)	(1%)
State-Shared Revenues	47.6	47.2	(0.4)	(1%)
Property Taxes	25.3	25.3	-	-
Franchise Fees/In-Lieu Taxes	11.2	11.2	-	-
Building Permits	8.7	10.5	1.8	21%
Charges for Services/Other	29.9	30.6	0.7	2%
Transfers In	9.5	8.8	(0.6)	(7%)
Subtotal Operating Sources	\$229.4	\$230.1	\$0.6	-%
Sales Tax Rebate	-	0.6	0.6	n/a
ASRS Settlement	-	1.3	1.3	n/a
Bond Proceeds	31.3	31.3	-	-
Total Sources	\$260.7	\$263.1	\$2.4	1%

General Fund - Uses
Year-End Estimate: FY 2012/13

(in millions: rounding differences may occur)

Category	FY 2012/13 Approved	FY 2012/13 Forecast (In Tentative Budget)	Variance	
			Fav/(Unf)	%
Personnel Services:				
Salaries & Wages	\$113.1	\$112.9	\$0.2	-%
Overtime	5.9	6.6	(0.7)	(11%)
FICA	7.9	7.9	-	-%
Retirement	15.8	15.9	(0.1)	(1%)
Health/Dental & Misc	14.9	15.1	(0.2)	(1%)
<i>Total Personnel Services</i>	<i>\$157.6</i>	<i>\$158.4</i>	<i>(\$0.8)</i>	<i>(1%)</i>
Contractual, Commodities, Cap. Outlay	59.1	55.4	3.7	7%
<i>Total Operating Expenses</i>	<i>\$216.7</i>	<i>\$213.8</i>	<i>\$2.9</i>	<i>1%</i>
Debt Serv. & Contracts	44.3	43.8	0.5	1%
Transfers Out	8.5	8.4	0.1	1%
Total Operating Uses	\$269.5	\$266.0	\$3.5	1%

General Fund Results Year End Estimate: FY 2012/13

(in millions: rounding differences may occur)

	FY 12/13 Approved	FY 12/13 Forecast (In Tentative Budget)	Variance	
			Fav/(Unf)	%
Sources	\$260.7	\$263.1	\$2.4	1%
Uses	(269.5)	(266.0)	3.5	1%
Total Sources Over/(Under) Uses	(\$8.8)	(\$2.9)	\$5.9	
Ending Unreserved Fund Balance	\$6.5 *	\$12.6		

* FY 2012/13 Adopted Budget equals \$1.3. This amount increased due to better results in FY 2011/12.

General Fund Results: Summary April 2013: Fiscal Year to Date

(in millions: rounding differences may occur)

	FY 10/11 Actual	FY 11/12 Actual	FY 12/13 Actual	FY 12/13 Budget	Actual vs. Budget	
					Fav/(Unf)	%
Sources	\$199.5	\$194.8	\$221.4*	\$216.4	\$5.1	2%
Uses	186.4	188.5	215.3*	218.0	2.6	1%
Change in Fund Balance	\$13.1	\$6.3	\$6.1	(\$1.6)	\$7.7	

* Includes Nordstrom Garage Lease Payoff paid for with bond proceeds.

General Fund Operating Sources April 2013

(in millions: rounding differences may occur)

Sources Category	FY 10/11	FY 11/12	FY 12/13	FY 12/13	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
Sales Tax: 1.0% General Purpose	\$7.9	\$8.1	\$8.7	\$8.6	\$0.1	1%
0.1% Public Safety	0.8	0.8	0.9	0.8	-	-
State Shared: Sales Tax	1.5	1.4	1.4	1.5	(0.1)	(7%)
Revenue	1.9	1.5	1.9	1.9	-	-
Auto Lieu Tax	0.7	0.6	0.6	0.6	-	-
Property Taxes (Primary)	1.6	1.5	1.3	1.7	(0.4)	(22%)
Franchise Fees/In-Lieu Tax	2.6	2.6	2.7	2.5	0.2	9%
Other: Licenses, Permits & Fees	0.5	0.5	0.5	0.8	(0.3)	(38%)
Fines & Forfeitures	0.6	0.7	0.7	0.6	0.1	11%
Miscellaneous	1.3	1.3	2.0	0.5	1.4	nm
Building Permits	0.5	0.8	0.9	0.9	0.1	9%
Interest Earnings	0.0	0.0	0.2	0.1	0.1	68%
Indirect Cost Allocations	1.1	0.7	0.6	0.6	-	-
Transfers In	0.6	0.7	0.5	0.5	-	-
<i>Subtotal Operating Sources</i>	<i>\$21.8</i>	<i>\$21.3</i>	<i>\$22.9</i>	<i>\$21.7</i>	<i>\$1.2</i>	<i>5%</i>
Bond Proceeds*	-	-	(0.3)	-	(0.3)	n/a
Bed Taxes (gross)	2.1	2.3	-	-	-	-
<i>Total Operating Sources</i>	<i>\$23.9</i>	<i>\$23.6</i>	<i>\$22.6</i>	<i>\$21.7</i>	<i>\$0.9</i>	<i>4%</i>

* To fund the Nordstrom Garage Lease Payoff

General Fund Operating Sources: Sales Tax April 2013

(in millions: rounding differences may occur)

1.0% Sales Tax Category	FY 10/11	FY 11/12	FY 12/13	FY 12/13	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
<i>Consumer Spending:</i>						
Small retail stores	\$1.3	\$1.4	\$1.4	\$1.6	(\$0.2)	(10%)
Large retail stores	0.8	0.8	0.9	0.9	-	-
Misc goods & services	0.6	0.7	0.7	0.6	-	-
Grocery & convenience	0.6	0.6	0.6	0.6	-	-
Auto sales & maintenance	0.8	1.0	1.0	1.0	-	-
<i>Tourism/Entertainment:</i>						
Hotel lodging & misc sales	0.6	0.7	0.7	0.7	-	-
Restaurants & bars	0.8	0.9	0.9	0.9	-	-
<i>Business:</i>						
Construction	0.7	0.7	0.8	0.8	(0.1)	(8%)
Rental	1.0	1.0	1.1	1.0	-	-
Utilities	0.3	0.3	0.3	0.3	-	-
Licenses, penalties/interest	0.1	0.1	0.1	0.1	-	-
<i>Subtotal 1.0% Sales Tax</i>	<i>\$7.8</i>	<i>\$8.1</i>	<i>\$8.5</i>	<i>\$8.6</i>	<i>(\$0.1)</i>	<i>(1%)</i>
Large Audit Adjustments	-	-	0.2	-	0.2	-
<i>Total 1.0% Sales Tax</i>	<i>\$7.9</i>	<i>\$8.1</i>	<i>\$8.7</i>	<i>\$8.6</i>	<i>\$0.1</i>	<i>1%</i>

General Fund Operating Uses: by Category April 2013

(in millions: rounding differences may occur)

Category	FY 10/11	FY 11/12	FY 12/13	FY 12/13	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
Personnel Services*:						
Salaries & Wages	\$13.5	\$8.5	\$8.7	\$8.6	(\$0.1)	(1%)
Overtime	0.6	0.5	0.5	0.4	(0.1)	(40%)
FICA	0.9	0.6	0.6	0.6	-	-%
Retirement	1.5	1.0	1.2	1.2	-	-%
Health/Dental & Misc	1.2	1.1	1.2	1.3	-	-%
<i>Total Personnel Services</i>	<u>\$17.7</u>	<u>\$11.7</u>	<u>\$12.2</u>	<u>\$12.0</u>	<u>(\$0.2)</u>	<u>(1%)</u>
Contractual, Commodities, Capital Outlay	3.6	3.8	4.1	4.2	0.1	2%
<i>Total Operating Expenses</i>	<u>\$21.3</u>	<u>\$15.5</u>	<u>\$16.3</u>	<u>\$16.3</u>	<u>(\$0.1)</u>	<u>-%</u>
Debt Serv. & Contracts	(0.3)	0.2	(0.3)	-	0.3	n/a
Transfers Out	1.1	1.1	-	-	-	-%
<i>Total Operating Uses</i>	<u>\$22.1</u>	<u>\$16.9</u>	<u>\$16.1</u>	<u>\$16.3</u>	<u>\$0.2</u>	<u>1%</u>
 *Pay Periods in April:	 3	 2	 2			

General Fund Operating Uses: by Division April 2013

(in millions: rounding differences may occur)

Division	FY 10/11	FY 11/12	FY 12/13	FY 12/13	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
Mayor & Council, Charter Officers	\$2.1	\$1.6	\$1.5	\$1.3	(\$0.2)	(14%)
Administrative Services	1.4	1.0	1.0	0.9	(0.1)	(7%)
Comm. & Econ Development	2.1	1.5	1.6	1.4	(0.2)	(12%)
Community Services	3.4	2.5	2.6	2.9	0.3	11%
Public Safety - Fire	2.8	2.0	2.2	2.2	-	-%
Public Safety - Police	8.4	5.8	6.1	6.2	0.1	2%
Public Works	1.2	1.1	1.4	1.3	(0.1)	(10%)
<i>Total Operating Expenses</i>	<u>\$21.3</u>	<u>\$15.5</u>	<u>\$16.3</u>	<u>\$16.3</u>	<u>(\$0.1)</u>	<u>-%</u>

General Fund Results: Summary April 2013

(in millions: rounding differences may occur)

	FY 10/11	FY 11/12	FY 12/13	FY 12/13	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
Sources	\$23.9	\$23.6	\$22.6	\$21.7	\$0.9	4%
Uses	22.1	16.9	16.1	16.3	0.2	1%
Change in Fund Balance	\$1.8	\$6.7	\$6.5	\$5.4		