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CALL TO ORDER

[Time: 00:00:00]

Mayor Ortega: I call the February 28, 2023 City Council Regular Meeting to order. City Clerk Ben Lane, please conduct the roll call.

ROLL CALL

[Time: 00:00:11]

City Clerk Lane: Mayor David Ortega?

Mayor Ortega: Present.

City Clerk Lane: Vice Mayor Littlefield?

Vice Mayor Littlefield: Present.

City Clerk Lane: Councilmember Caputi?

Councilwoman Caputi: Here.

City Clerk Lane: Councilmember Tom Durham?

Councilmember Durham: Present.

City Clerk Lane: Councilmember Barry Graham?

Councilmember Graham: Here.

City Clerk Lane: Councilmember Betty Janik?

Councilwoman Janik: Here.

City Clerk Lane: Councilmember Solange Whitehead?

Councilwoman Whitehead: Here.

City Clerk Lane: City Manager Jim Thompson?

City Manager Thompson: Here.

City Clerk Lane: City Attorney Sherry Scott?

City Attorney Scott: Here.

City Clerk Lane: City Treasurer Sonia Andrews?

City Treasurer Andrews: Here.

City Clerk Lane: Acting City Auditor Lai Cluff?

Acting City Auditor Cluff: Here.

City Clerk Lane: And the Clerk is present.

[Time: 00:00:37]

Mayor Ortega: Thank you. We have Police Sergeant Sean Ryan and Detective Dustin Patrick, as well as firefighter Andrew Taylor here should anyone require assistance. Let's begin with the Pledge of Allegiance.

Councilwoman Whitehead: 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 Ortega: Thank you. At this point, we'll continue with our agenda. I have several items. First of all, I do want to join together as we call attention to the war in Ukraine and remember that they are fighting and sacrificing for their freedom and democracy. I ask you all to join me in a moment of silence for the people of

Ukraine. (Moment of silence).

Mayor Ortega: Thank you very much. Our spring training has begun at Scottsdale Stadium. The San Francisco Giants are looking forward to the World Series, which all the play begins here in Scottsdale. We're looking for a fantastic season with visitors and residents certainly enjoying all the games. It gets a little cold now and then, but it will be a boiling baseball season here.

Next we have -- I want to mention that Scottsdale Senior Services has a program called All Things Senior Expo and Trade Show. It's taking place tomorrow at the Scottsdale Center for Performing Arts from 9:00 in the morning until 1 p.m. Learn about the city services as well as other resources located in beautiful Scottsdale.

Next we will have the presentations. I'll ask Experience Scottsdale to give us an update. Rachel Sacco is the president and CEO. Welcome, Rachel. Hello.

[Time: 00:03:28]

Rachel Sacco: Thank you so much, Mayor Ortega and councilmembers. I'm Rachel Sacco, president and CEO of Experience Scottsdale. I appreciate you're taking time tonight in your busy agenda so I can give you an update on the efforts of Experience Scottsdale to support Scottsdale's tourism industry, also our small businesses here locally, our residents and our community in bringing prosperity to Scottsdale through the tourism industry.

The Experience Scottsdale team has been working really hard to achieve the goals that you have set out for us through our contract. We've made significant progress in capturing leads, making bookings, media placements, having website user sessions and more in this fiscal year. All of these are important metrics that you've given us, because every time a journalist comes and writes an article, it helps us to bring people here. When we have bookings and sales leads, it helps us fill our hotels and to also fill the whole community with people who are here to have a great time and spend money. And also, training professionals in the travel agent industry helps us so that when we deploy our advertising, those travel advisers who have been trained by us know how to respond to those customers who say, gosh, I saw a great ad on Scottsdale, and we can help those travel advisers book them here, as well as the website that gives inspiration for people to book and then also creating brochures so that when people request information on Old Town maps or art or guides, we can help them learn how to enjoy Scottsdale. We are on track to meet all our metrics, if not exceed them.

We are in the midst of deploying what I love so much, and that is the season of advertising for our high season in Scottsdale. So we are out there across the entire country with messages and marketing and promotions about our beloved community. The best way for us to leverage all of those paid placements, if you will, is to actually get positive earned media coverage from the journalists that we bring out here who then write about Scottsdale. We find those press strips, as we call them, are one of the best tools in our belt. Every time we bring out a journalist, and just in the first half of this fiscal year, we've already brought out over 100 journalists from domestic locations as well as international locations that we bring out to write about Scottsdale. We always require that they have some sort of a guaranteed assignment, whether they're

writing for a newspaper, magazine or even a television show. But we've often wondered as a team what about those particular journalists that don't necessarily know Scottsdale and they haven't gotten an assignment yet because they don't know how to pitch it, but they have an audience we want to capture? We have a new program launched in December. We brought 32 freelance writers, editors and staff to Scottsdale for an immersive two-day program called Scottsdale Showcase. This allowed us to bring these new journalists here to gather information and inspiration about how to actually pitch a story and get an assignment for Scottsdale. They met with about 18 of our local businesses, they got to see the area in two days. And already -- this was just in December -- we have already had coverage that resulted from that particular show in Conde Nast traveler magazine and locale magazine and many others. We can reach new audiences through new journalists and we'll be able to get new customers.

I'm happy to report to you if you haven't seen that the Meetings Market is returning to Scottsdale. I say this with pride because there are many of my sister destinations across the country that are still struggling to get back on their feet after the pandemic. But not Scottsdale. We are a place where everyone wants to be. I'm pleased to tell you that group bookings for the Scottsdale area are up 15 percent year over year, and that is going to account for a future economic impact of over \$40 million just to our community. Our sales team is absolutely committed to this group market because it is the foundation for our hotels and resorts, and if we don't get business into those properties, we're not going to be able to get them and spread those people throughout our destination that will actually bring economic prosperity for us.

As we're out trying to work with meeting planners, we have two main goals. First of all, we're so busy in our high season that we want to make sure that customers don't just say, well, I can never get into Scottsdale. One of our number one goals is to make sure our sales team is trying to book group business during need time periods. For us that's the summertime but also the holiday time. I'm proud to tell you that 61 percent of all the Experience Scottsdale bookings are for those need time periods, which is a win-win for us, our customers and our community.

The second goal we have is that we want to bring new business to Scottsdale. Everyone knows how to fish where the fish are, and so do we. But our commitment to our stakeholders is we will go out and find new business, and I'm proud to tell you that about 25 percent, on average, of all of our bookings are for new business. We define that as it's a piece of business or a group that's never been in our database ever at Experience Scottsdale, or it is a group that has never, ever met in Scottsdale. So we're really proud of that work.

[Time: 00:09:01]

I'm proud of our sales team. I hope that you're proud of our sales team. But I want to tell you that our customers are proud of our sales team. They say that your sales team at Experience Scottsdale is among one of the most respected in our industry, and here's a couple of reasons why.

HPN Global is one of our meeting industry's key marketing and meeting third-party companies. They just named Experience Scottsdale sales manager Tracy Jackson as its US Destination Marketing Organization Partner of the Year, just in November. And then also just last month our Experience Scottsdale sales manager

Allison Dunaway was voted the CBC Professional of the Year by Meetings Made Easy. Also this year we were also Experience Scottsdale was named Destination Partner of the Year by HB HelmsBriscoe, one of the largest companies in the world, headquartered in Scottsdale. I'm proud of the team and I hope you are. They represent us so professionally when out on the road for Scottsdale.

It would be hard to stand before you right now and not talk a bit about our super season. I have to mention that we are so proud, and as a resident I hope everyone in this room and watching is so proud, as I'm sure you are, of how we sparkled during the last Super Bowl. I wanted to take a moment to deviate for a second and on behalf of the entire hospitality industry I'd like for you to hear a very sincere thank you. Mayor, thank you, council, for your incredible leadership during this very busy time. I also want to give a shout-out to our incredible city staff, everyone from the City Manager to every department, to the tourism and events department, economic development. Thank you for being such great partners. Also, and last but certainly not least, I want to say a really big thank you to public safety, police and fire. You did a marvellous job of not only keeping us safe but making this a warm and welcoming community. Everyone I talked to said I cannot believe you did what you did in Scottsdale and yet it looked so easy and effortless. Thank you so much, because we know it wasn't anything but that.

[Time: 00:11:17]

We've been working on Super Bowl since 2019. We were the main liaison between our hospitality community and the host community and we aim to make Scottsdale sparkle. Between our team and the community at large I think we did. We were happy to have a new program with the city this year. We assisted the city economic development department to create a familiarization program for key site clients. That's our bailiwick, and we were so happy to be able to do a program that would help the city further their economic development goals. It showed me again first-hand that tourism and economic development go hand in hand. Tourism is often the front door to economic development where sea level executives attend an event and they see the city and that becomes their entree to maybe moving their business here in the future. It helped us to work with Rob to see the best of what the site selectors could see in our city during one of our busiest time periods.

We began marketing the super season in early January. We worked very closely with Karen's team, created at Experience Scottsdale the logo, micro-site, brochure, the videos that promoted the whole super season and then we began targeted campaigns to target markets where the playoff teams were and then the rest of the month we were just on fire, getting information out there about Scottsdale as best we could. How did we do? We're in the process right now of putting together a very comprehensive report that we'll be giving you about all the metrics that we were able to earn during this fourth Super Bowl we've been involved in. One of the highlights was certainly to see ESPN once again choose Scottsdale over all the places in the valley that were courting them because they're loyal to Scottsdale and to see them setting up their wonderful ESPN broadcast for Super Bowl in our historic Old Town was just a thrill.

How did we do? According to the hotel research company Star, the Scottsdale area hotels and resorts experienced an average 92.5 occupancy that weekend and I won't mention the rates we're charging, but I can tell you there's a lot of money floating through the city coffers right now. We're not even through our

super season. We are just starting with our cactus league spring training that will round off the super season as they begin training with the Giants in town this week.

I want to thank you once again and also say a shout-out to the residents for your graciousness, for being gracious hosts to all of our visitors touring such a busy time of year. Thank you, all.

I'm excited to tell you that we're hitting the road. I'm going to tell you all the communities throughout the country that are seeing and hearing information about Scottsdale. We're reaching about 82 million impressions with just this advertising campaign, with our TV commercials and digital. We are right now deploying nationwide our messaging in LA, Chicago, Denver, Dallas, Seattle, Houston, Minneapolis and New York. We are back in New York with our out of home promotions. Earlier this month the ads went up in six high-traffic subway and train stations throughout New York City and they will remain there through March. They will generate an estimated 24 million advertising impressions. I know it's hard to see from here, but our campaign is called Come and See What Blooms in the Desert. It is through all of Manhattan listen to this. These stations are up in Columbus Circle, near the park, but they go through the entire Manhattan, in Union Square, the Flatiron District, Midtown East and West, Madison Square Garden and Hell's Kitchen.

[Time: 00:15:27]

When I tell you that we are taking them over, it's not just a poster or two on walls. We are wrapping the entire outsides of some of those train stations. We are wrapping everything from -- imagine this entire wall and this building wrapped in something that says See What Blooms in the Desert in Scottsdale. The stairways, the pillars, the handrails, the floors, everything is wrapped in Scottsdale. We're also airing our two television commercials on cable and on network TV. We are training the travel agents to sell when they hear from those consumers. We have PR stories and we're also working with paid influencers.

Here's one example of how we're leveraging this. We have an influencer named Sara, and she's been coming to Scottsdale, she has a high-end audience, resides in New York and she's been filming about all the things she's been doing in Scottsdale. We contacted her and said, would you visit our train stations and do something about, you're in Scottsdale and now you're seeing Scottsdale here? She developed a wonderful Instagram feed where she's walking into the train station, she goes through the door and all of a sudden it's her Scottsdale video. In the first 24 hours where she aired her first post, 11,000 people commented and said, oh, my gosh, thank you for bringing sunny Scottsdale to our dismal commute. So if you have a chance to go to New York before the end of March, you will be proud.

Here's a couple more photos of that High-Impact Campaign. One thing off-the-cuff I want to mention to you, because I'm really proud of it, this campaign and every single thing we do besides our TV commercials are all done with our in-house creative team. We save hundreds of thousands of dollars in creative, unless we used an agency, to put that back into our programming. That's cool and I'm proud of that.

As we are starting to get into the international marketing again, we are in Canada like never before. Before the pandemic, Canadians made up 68 percent of the international visits and 66 percent of all the revenue of all the international visitors come from Canada. We have developed a great digital campaign to reach the

Canadians. We also are deploying 1,200 television spots on broadcast, public relations. Again, those travel advisors are trained and we are ready to welcome them back to Scottsdale.

We've also revived a campaign called the Loonie Love Campaign, so named for the Canadian dollar called the loonie. We have a dedicated micro-site and we're sending digital and email promotions direct to those Canadians saying, come to this discount, we are providing the Loonie Love for you with discounts and planning recommendations just for you.

I want to mention that because we had such a robust bed tax collections and that impacts our budget so positively, we're able to be in Canada for the first time the entire year. There's not a month that we won't have a presence in this most important international market.

[Time: 00:18:40]

Back here at home, wrapping up here, the tourism events department and we at Experience Scottsdale have been spending months working on the second round of the Exceptionally Scottsdale collection. We work with local businesses to help them design, develop and execute a new experience for visitors and locals alike. These arrived just in time for the super season. If you're this new visitor here, you're going to have a bourbon flight at Bells Nashville Chicken or go on a Wild West tour in Old Town and get a taste of the old west with Kactus Jocks. If you want to know more about this, go to Exceptionally Scottsdale and you'll also see our first round of businesses like French designer jewelers, Taliesin West, our wine tasting rooms, cactus flowers and more. This may sound like why would we do that? We do it because all the visitors that we interact with tell us, we don't want to just go into a storefront. We want an experience that is unique to that destination and we want to do something that is interactive. So we are helping our businesses learn how to do that. It brings them more revenue and brings us a new opportunity to market.

Again, lastly, here we are, we've just released our 2023 visitor guide and the meeting travel planner guides. If you are someone at home and you have a guest room and you're expecting guests, please make sure if you haven't used our visitor guides even as a local, please reach out to us. They are free of charge. We would love to send you as many as you need. It is the best guide for how to experience Scottsdale and we're really proud of it.

Also, our website. If you haven't gone as a local to our website, we have constantly new brochures, new stories, articles and publications that are downloadable. We just redeveloped our Old Town guide, a brand-new art guide showcasing our arts district and we'll also be working on a brand new website redesign that I'll show to you this spring. We're using research about what people want on the website to be inspired to book. We are actually going through that website. We're doing that all in-house. We have an in-house website designer and it's allowing us to always put our best foot forward to our visitors and locals for Scottsdale.

Wrapping up, I am so delighted to be here. Please, myself and my staff are always available to answer any questions you have about what we're doing or how we're doing it. It's again an honor to represent this community. I want to thank you for the support you give us not just during super season but all year long from both the council and the city staff as well. Thank you so much.

Mayor Ortega: Thank you, Rachel. I do want to point out a couple of things. All of the major events every year are required to give us a readout of attendance and incidents and responses. We do see -- I see the council sees notes from individuals, visitors that are thanking our police and safety officials. The other thing is in our look ahead -- we ended up with 1.3 million people at TCP Scottsdale. That set a new record. One day on Saturday it was 480,000 people attending that one day. No other city can manage the kind of world-class events that we do. Certainly, we provide that safety for our residents year-round.

The other thing is just to look ahead, every time we get better, something else comes along. Scottsdale is seeking to become a World Heritage Site as a city what happens is when you have a World Heritage Site such as Taliesin West, that makes us eligible to promote ourselves as a world heritage city. You'll be looking for that again one up on what we offer and where we come from. Next, I'll ask Councilmember Janik.

Councilwoman Janik: I don't know if any of you know how many hours went into making everything seem seamless. Thank you very much. The other thing I want to comment on. I went to your website, looked at the arts guide. Very nice and I'm very happy to see that downloadable so people can enjoy everything our art district has to offer.

Councilwoman Whitehead: I'll ditto that Karen, and Rachel, of course. Thank you.

Mayor Ortega: Thank you. Continuing with our agenda. I'm providing a notification that during tonight's meeting, the council may make a motion to recess into Executive Session to obtain legal advice on any applicable item on the agenda if authorized by the council, the Executive Session will be immediately -- will be held immediately and will not be open to the public. In that case, the public meeting will resume following the Executive Session.

Also, for those in attendance, per our council rules of procedure, citizens attending City Council meetings shall observe the same rules of order and decorum applicable to members of the council ourselves, unauthorized remarks or demonstrations from the audience such as applause, stamping feet, whistles, boos, yells and/or other demonstrations shall not be tolerated. Violation of these rules could result in a removal from the meeting by security staff. Our meetings also go smoother and with less interruptions.

PUBLIC COMMENT

[Time: 00:25:04]

Finally, or next, we will go into public comment. Public comment occurs per statute allowing Scottsdale citizens, Scottsdale business owners and/or property owners to comment on non-agendized items that are within the council's jurisdiction. Advocacy for or against a candidate or ballot measure during a council meeting is not allowed pursuant to state law and is therefore not deemed to be within the council's jurisdiction. No official council action can be taken on these items, and speakers are limited to three minutes to address the council. We have five requests for public comment. Please come forward and state your name and place of residence. I will begin with Sonnie Kirtley and then Mike Leary.

Sonnie Kirtley: May I have ELMO? Good afternoon, Mayor Ortega, Vice Mayor Littlefield and counsel members. My name is Sonnie Kirtley, 54-year resident of Scottsdale and a proud member of the COGS board of directors, Coalition of Greater Scottsdale. Our address is on file.

The date that you see on the screen is a very important date in this city. It's Sunday, the 10th of October, 2022. That's last year. And that's four months plus three weeks before, the year before. If you're totaling the days, that's 141 days that have dragged by. Why is the date important? That was the date that our City Manager retired.

[Time: 00:27:18]

Here are the COGS questions: Why hasn't the new City Manager search process begun? Second question: When will City Council direct human resources to begin the search? So we respectfully request that the City Council answer the questions soon.

So what did happen? The 2022 City Manager was hired back a couple of days later, Wednesday, the 12th of October, as an interim City Manager, through the educational services for the base salary of \$347,000. COGS asks: Please, let's get going. Let's get a City Manager that will be here for longer planning and work out our strategic plans. Thank you.

Mayor Ortega: Thank you. Next, we have Mike Leary and James Thompson.

Mike Leary: Thank you. Good evening, Mayor and members of the City Council. I know we're maybe treading on new territory right here, but I'm here today to basically request the City Council authorize the City Manager to place a petition on the soonest available agenda so that, if supported by the council, an appeal of the zoning administrator determination can be filed by the City Council or nominee to the board of adjustment prior to the 30-day appeal deadline. At issue is specifically the proposed storage facility shown at the northeast corner of Alma School Road and Jomax. Also, there's an existing facility at the very northeastern portion of the property, called Braintree self-storage. This is the level of construction of that facility, three levels underground, one level above.

There's a zoning anomaly. Back in 1984 this was the development plan, site plan, that was approved by City Council. As part of the zoning community service which is a regional wide service facility, it was planned out as a pretty typical retail center. However, in 2004, the top drawing, it was modified to provide the developer an opportunity to have more flexibility not like the earlier plan, so that there would be just basically a general location of where the -- let me see if I can work this -- where the -- can you get me back? Back one more time. Can you get me back to the screen? That one, yeah. Where there was basically the provision for major anchors located at the back of the property. However, post that approval, this is what got developed. Condominiums across all of this parcel and then condominiums along the northern portion of the property.

Now, what you need to know is that those approvals were never done by you. Those were done by staff. The reason for it that was given is that staff wanted to, since the project had been having a 20-year delay, to

assist development of the property. I have never been given such a favor to be able to disregard a site plan that you guys approved and do something totally different. This was a stipulation of that 2000 case conformance site plan, development shall conform to the zoning exhibit, dated April 30, and any significant change shall be subject to subsequent public hearings before planning commission and City Council. That was not done. As a result of it, not only have the condominiums and parcel C and B been developed contrary to the plan, there is a current application for a proposed storage facility consisting of a 47,000 building footprint with a 265,000 length of building smack on the Alma School Road frontage.

Mayor Ortega: Thank you, Mr. Leary. You have exceeded your three minutes by almost a minute. We will move on. Your petition has been received and duly filed with the Clerk and we'll be taking action on that. We have those materials and slides up here at council. Next speaker is James Thompson and then Brodie Boland.

Mike Leary: Mr. Mayor, Rachel was given a broad time extension. Could you give me one more minute?

Mayor Ortega: Michael, you've been before council forever, so you know the rules. I appreciate that and I gave you actually an extra minute. We are in good -- counting for delays on it. But I believe Mr. Thompson, is he also party with this?

Mike Leary: Yes.

Mayor Ortega: Thank you very much. Next speaker, we have Mr. James Thompson and then we have Brodie Boland with the Boy Scouts.

[Time: 00:33:40]

James Thompson: Thank you for taking the time this evening. Way of introduction, I'm the property owner to the east that Mike described. We acquired that property that we're currently developing in early 2022. At the time we acquired the property, it was our understanding per the city council report that was approved in 2004 that the proposed parcel would be a shopping center. And so we had no -- had we known that the proposed development would be another self-storage property, we never would have invested over \$15 million in our current project. So we feel very much as an aggrieved party. The City Council as well, given that this proposed development is contrary to what was approved in 2004, is also very much an aggrieved party.

It baffles my mind that the developer of the proposed project, you would have essentially three self-storage developments all within less than a quarter of a mile in this area. How this developer would justify that, I have no idea.

The proposed development is very much -- is absolutely contrary to the City Council approval in 2004 and not only am I an aggrieved party but, as I stated before, the city of Scottsdale, the City Council, is absolutely an aggrieved party as well. We would request that the City Council authorize the City Manager to petition on the soonest available agenda so that, if supported by the council -- determination can be filed by the City Council

or nominee to the board of adjustments prior to the 30-day appeal deadline in March. Thank you.

Mayor Ortega: Thank you, sir. Next we have Brodie Boland with Boy Scouts of America troop 869. Then we will have Edward Scott Kearns.

Brodie Boland: Good afternoon, Mayor and City Council members. My name is --

Mayor Ortega: Step a little closer to the mic and pull it up to your tall stature, young man.

Brodie Boland: Is it working now? Alright. Thank you. Good afternoon, Mayor and City Council members. My name is Brodie Boland. I am a resident of Scottsdale and I'm also a member of the Boy Scouts of America for troop 869 of Scottsdale. We are here today as part of the citizenship of the community -- that is a requirement for. How our local government operates in our community and understands the great things and issues in our community. We thank you for allowing us to attend and appreciate your support of youth activities in the Scottsdale community and thank you for your time and making Scottsdale a very nice place for us.

Mayor Ortega: Thank you, Brody. We have many resources online and many -- if you have any questions, we'll be glad to follow up with you in any area. At this point, we will go on with Edward Scott Kearns.

[Time: 00:37:43]

Edward Scott Kearns: Good afternoon, council. I'm Edward Scott Kearns, president of CIA, Christian International Air Evac, and I need some help very badly. I've been operating now out of the Scottsdale airport for the past 50-some years and during the pandemic, while I was quarantined at the VA hospital, they tore the hangar down, made no arrangements for my airplanes. I was supposed to be on tiedown list for that. It's gone too. So the airplane was setting out and they said I could go up to the greenway hangars. Jet center has taken over that, so I thought, well, OK, go up there. The hangar was 400 and something a month, so that's a little steep for Christian International Air Evac. That's a 501 C 3. Anyway, I took a T shade Culver 19, row C number 19, that lasted about eight months and they tore that down. Still no word. It's been setting outside, no tiedowns, no means for anything. It's doing annual now. I haven't had anywhere to do that either. I'm qualified to run it, but no place. The plane has been moved five or six times. Also, they pulled my pass to the airport. I can't even get on the airport. Nobody ever contacted me what was going on, or you either. So I need help very badly. I've got eight different small airplanes. I've got one of them down in old Mexico and one sitting over here at the bend out in the open. The other one over here with no tiedowns on it. It's been blowing around. It turned up on its wing tip and \$10,000 worth of damage to it. I don't know who's responsible for that. So I need some help. I can't move it. It's not like a car. You can't just drive it away. Is there any possible means that you could find out who's in charge of running the airport over there, the airport manager or city attorney or whoever it might be?

Mayor Ortega: Mr. Kearns, could you please give us your contact information and we'll be able to follow up with you if you wish to do that, to staff, at the Clerk's desk.

Edward Scott Kearns: Yeah, that's all on record. I put that down on the way in.

Mayor Ortega: OK. Excuse me.

Edward Scott Kearns: I'll double-check it on the way out.

Mayor Ortega: Thank you, sir. Staff will have to follow up with you on any concerns you have.

Edward Scott Kearns: You have to take care of things. If you don't, they'll blow away.

Mayor Ortega: I will say that, as it happens, Scottsdale Airport handled 912 jets during super season. A very good job with that and very professional job. I thank you for your non-profit work, and I will have staff follow up with you, sir.

Edward Scott Kearns: I realize I'm on the bottom of the totem pole. I've only been there 50-some years, at that same airport, right there, since back in the sixties.

Mayor Ortega: There are certain notifications that have been done. I appreciate your service and we will have to follow up with you individually. OK?

Edward Scott Kearns: On top of that, I've been around the world more times than once.

Mayor Ortega: I'm sure you have amazing service. As you said --

Edward Scott Kearns: Four and a half years with the military.

Mayor Ortega: Thank you. I'll have assistant City Manager follow you and help you with those matters. At this point, I will close public comment. There's a second opportunity for public comment towards the end of the meeting. I'm told that there's another person, Louise Lamb, who wishes to speak, but she'll have to wait for the second period of public comment at the end of the meeting. That's how we can keep things moving smoothly. At this point I will close public comment.

PUBLIC COMMENT

[Time: 00:42:34]

Mayor Ortega: Next we will proceed with consent agenda items. All the information is on file. For consent agenda items 1 through 4. At this point I would call on my public comment on those items. Seeing none, I would close public comment and ask for any -- a motion to approve the consent agenda items and a second.

Councilwoman Janik: I make a motion to approve items 1 through 4 on the consent agenda item.

Vice Mayor Littlefield: Second.

Mayor Ortega: Thank you, a motion and second. Please record your vote. Unanimous. Thank you very much.

ITEM 05 – DESERT COVE INTERNALIZED SELF STORAGE REZONING (108-ZN-1984#2)

[Time: 00:43:19]

Mayor Ortega: Next we will have the regular agenda items, which are items 5, 6 and 7. Item 5 is desert cove internalized self-storage rezoning, 108-ZN-1984#2. The presenter is Jeff Barnes, senior planner. Of course, the applicant is available to provide their presentation. Please proceed. Thank you, Jeff.

Jeff Barnes: Good evening, Mayor Ortega, Vice Mayor Littlefield and Councilmembers. I am Jeff Barnes with the city's planning department giving you a presentation on 108-ZN-1984#2. This site is located in the yellow highlighted area along the north site of Desert Cove Avenue, which is generally located north of Shea Boulevard, east of the 101. A little bit closer in on this next slide, you can see this is an undeveloped site. It is the last undeveloped site on that segment of Desert Cove. It's surrounded by some other medical office uses, an internal and external storage facility on the south side and some other commercial uses in the area. There's also a single-family residential neighborhood abutting to the north that you can see there as well. This site is configured in a way that shares an existing driveway access point with the dental office that it wraps around, located just to the east there.

The site is zoned I 1, which is our industrial zoning district. The site I 1 zoning was established in 1984, for the area highlighted in the yellow highlight on here. With that 1984 zoning action, the property in question, the smaller property with the dental office and the cancer research center to the west, all are subject to specific stipulations that were adopted with that I 1 zoning. They generally refer to the limitation of land uses, not to the I 1 land uses but to the IG district uses. They also direct the IG district's development standards instead of the I 1 and they imposed a 22-foot height limitation to those properties. So the request before you revolves around making some amendments to those specific stipulations, with the applicant ultimately seeking to be able to develop an internalized community storage facility on this property.

Moving into some of those I mentioned them generally but kind of walking through those existing stipulations, as well as the currently proposed amendments to those, the first one was a conformance stipulation to a site plan, the modification here is simply to refer to the current site plan for the internalized community storage development intended for the site. The second one there is that 22-foot building height. The applicant has identified they're able to work within that. What we noted in the evaluation of this application and this zoning history is that the existing stipulation is silent on rooftop screening, so we felt it appropriate to make sure that we were being clear in there that rooftop screening be allowed in addition to the 22-foot height, which is consistent with the general provision section of the zoning ordinance as a side history on that, we also were able to verify the cancer research center building next door, which was the last most recent thing to develop out there, had also developed, utilizing 22-foot building height plus the additional rooftop screening provision. That's a clarity item added in on that one.

Moving further down that list, I mentioned the land use restriction to the IG district. The IG district does not currently allow for internalized community storage. The understanding is that was not necessarily a contemplated use at that time, in 1984. But the current code does not allow for it. So the applicant is seeking

to also allow the I 1 standards in the I 1 district that applies to this property, which would allow for internalized community storage.

[Time: 00:48:34]

The next line item there refers to the development standards. I mentioned the direction was to follow the IG standards. The one distinction that needs amendment to make the site design work is the floor area ratio parameter, which is a .6 in the IG and a .8 in the I 1. So the ask is to allow the I 1s standard for floor area ratio. Those are the amendments proposed. This just for reference is the site plan that is referred to in that first stipulation. It does show the building, again utilizing that existing shared access drive that's out there today, wrapping around, as the property is sort of an upside-down L shape. But also following a 50-foot building setback off of the residential to the rear, which is a carry-over element and restipulated in the current proposal, and a 30-foot landscape buffer back there, which again is a carry-over reassurance of buffering on the back end of that property.

This went through the planning commission in iterations. Initially there were some slightly different proposals to the amendments and this was heard by the planning commission back in December. They had some comments. There were some neighbor concerns relative to that neighborhood to the north and primarily being able to still respect the 22-foot building height and some other landscape elements and things back there. That was continued at that point in time with direction to the applicant. The applicant took that direction. They went through and refined their proposed amendments. They went and did more targeted outreach with each of those neighbors. They did ask an additional continuance in there to allow time to make that work, and ultimately this came back in January 25 to the planning commission with those changes. The neighbors had backed off of their concerns and had expressed that they were satisfied with the discussions from the applicant with the amendments made, as well as some conversation about landscaping, which ultimately is ironed out through the development review board process in the next step, if you approve this zoning. But it was in there in the discussion, so I want to make sure that it's relayed as part of this conversation. But the planning commission did appreciate those changes. They ultimately unanimously made a recommendation of approval on this. So that lands it in front of you tonight.

Normally this could be the kind of thing we might put as a consent agenda item with the unanimous approval from the Planning Commission, but given the steps along the way and the changes made, we at least want to be able to tell you what happened, tell you the positive outcome on that. So the request before you with that in mind is to adopt ordinance 4581, which would approve the modification to the stipulations from the 1984 case for this property and allow them to move forward through the development review board process. That concludes staff's presentation somewhat quickly for you. I'm happy to answer any questions should you need them. The applicant is here to answer questions as well.

Mayor Ortega: At this point I'm also opening public comment as an opportunity for anyone to express themselves. Seeing none, we will close public comment. If there's any question by council, Councilwoman Whitehead.

Councilwoman Whitehead: I move to adopt ordinance 4581 approving a zoning district map amendment to

modify the stipulations of previously adopted ordinance number 1812, via case 108-ZN-1984#2 including changes to land uses and property development standards for a 1.8-acre site with industrial park zoning.

Councilwoman Janik: Second.

Mayor Ortega: The motion is seconded. I see a hand up by Councilmember Durham.

Councilmember Durham: This is a question for Mr. Barnes. We did receive one comment about the number of parking spaces from the owner of the orthodontics facility next door. It looks like there are parking spaces being added along -- I guess that's eastern side of the L there. Is that correct, there are parking spaces being added there?

Jeff Barnes: Mayor Ortega, Councilmember Durham, they are accounting for parking spaces on their side of the shared drive as well as the northern portion of the site. The numbers they've run and we've confirmed do show that they would be in conformance with our parking requirements for the land use, so we don't anticipate a parking issue there, at least based on the analysis so far.

Councilmember Durham: OK. Thank you.

Mayor Ortega: Thank you. We have a motion and a second. I see no other requests to speak. Please register your vote. Thank you. Unanimous. Good luck with the project.

ITEM 06 – COMPREHENSIVE FINANCIAL POLICIES ANNUAL REVIEW AND ADOPTION

[Time: 00:55:06]

Mayor Ortega: Next we will have item 6, Comprehensive Financial Policies annual review and adoption. Our presenter is Sonia Andrews, City Treasurer.

City Treasurer Andrews: Thank you, Mayor and council. Tonight we're asking council to approve our Comprehensive Financial Policies with a few changes. We review our policies every year and we bring forward council any changes that we deem are necessary. Before I begin to talk about the changes, I'd like to spend a bit of time to talk about what Comprehensive Financial Policies are and the purpose of these policies. The Comprehensive Financial Policies for the city is a very important document. What it does is it standardizes good financial management practices throughout our city.

It also formalizes best practices and Comprehensive Financial Policies demonstrate to our citizens our commitment to fiscal integrity and responsibility. Last but not least, Comprehensive Financial Policies also provide guidance to city staff to ensure budgeting expenditure controls are met, it helps us identify and manage financial risk, it ensures long-term financial stability and sustainability and last but not least and very importantly, Comprehensive Financial Policies are looked at by bond review board process rating agencies when they give us our bond rating. A strong set of Comprehensive Financial Policies allows us to maintain the city's high bond ratings.

We are proposing these changes to our Comprehensive Financial Policies this year. The first set of changes we're proposing will enhance expenditure controls. There are three new policies that we're proposing. One is to address capital project cost increases, the next is to address financial obligations and commitments, and the third new policy we're proposing is to address use of unanticipated one-time, non-operating revenues. I'll go over each of these in detail.

The next set of changes we're proposing are to the risk management policies. I'll also go over those in detail. We have some minor edits to the policy to clarify language. The first new policy we're proposing relates to capital project cost increases greater than 10 percent and \$1 million. Currently, capital cost increases are presented to council approval through budget adjustments and through next year's budget process. Oftentimes, it is included with other budget adjustments. There is no separate explanation and presentation on the cost increases to council. What we're proposing in this policy is to provide that separate explanation and presentation to council for project cost increases that are greater than 10 percent and \$1 million. The new policy states that the city will require council presentation or a written update to council, and council approval for significant increases to capital projects as a result of scope increases or other cost increases greater than 10 percent and \$1 million.

[Time: 00:58:35]

This is another new policy we're proposing, and it deals with financial obligations and commitments larger than \$1 million. Currently, when city departments enter into financial commitments, say, to buy something in the future, where it doesn't require budget funds today but requires budget in the future, we're entering into commitments that the council approval process is through the budget process in the future where the funds are needed.

We are proposing a policy that for any commitment larger than \$1 million, we will require council approval today, before entering into the financial commitment, even if the financial commitment does not require budget funds today but requires budget funds in the future. So the proposed policy states that the city will require City Manager approval and council presentation and approval before entering into a financial obligation or commitment for new programs, projects or services and requiring future budget appropriations over \$1 million that is currently not in the five-year capital improvement plan or five-year operating forecast. The third new policy we're proposing is on use of one-time, unanticipated, non-operating revenues that are significant. As an example, our land sale proceeds. Currently, the use of such funds are to him approved through budget adjustments or through the budget process. Again, like the capital cost increased, they're often included with other budget adjustments or there is no separate explanation or presentation to council to obtain approval. What we're recommending in this policy is that the city will require council presentation and approval for use of significant unanticipated one-time non-operating revenues such as land sales. We hope that these three new policies will provide added expenditure controls and transparency for council.

There are a couple of policy changes we're recommending to our risk management policy. The first one is to align our self-insurance reserves with a new confidence level. Bear with me as I explain this. I'm not an actuary, but I'm going to play one today. This policy is regarding the self-of self-insurance reserves that we maintain because we are self-insured for workers compensation, and employee health benefits. The reserve

we maintain is calculated by our actuaries. What the number represents is the projected loss or liability for all open claims at the end of the year. It's actuarially calculated. We have new actuaries this year. We have new actuaries we have hired that are more conservative than previous actuaries. Our current policy main -- with our previous actuaries, the 85 percent confidence level would increase the projected reserve by 20 percent. So if the projected reserve requirement is \$21 million, based on our previous actuaries' calculation, an 85 percent confidence level would be 120 percent of the required reserve. So that instead of \$21 million we would target \$25 million at the 20 percent.

[Time: 01:02:28]

Our new actuaries have a more conservative methodology in determining confidence levels. With our new actuaries, the 85 percent level is a 38 percent increase and not a 20 percent increase. So at the 85 percent level, the 21 percent reserve requirement would be bumped up to \$29 million. Because of that, we looked at our number of claims and the claims liability that we have and we have had no significant change to the number of claims and the claims liability that we have to warrant increasing our reserve levels by 38 percent because of a more conservative calculation of confidence level. So speaking with the new actuaries, at the 75 percent confidence level, it brings it down to -- closer to 20 percent, similar to the 85 percent of the previous actuaries. So the new actuaries, 75 percent confidence level is really at an 18 percent increase. I hope I didn't confuse you with all of this, but we feel that moving it from an 85 percent to a 75 percent does not change the level of reserve requirement that we are maintaining for the claims that we have and the loss projections that we have.

I'm going to pause for a minute and see if there are any questions on this, because I know that was a lot to explain and very confusing.

Mayor Ortega: Thank you. We have Councilwoman Janik, Councilwoman Whitehead and then Councilmember Graham.

Councilwoman Janik: Thank you, Mayor. Sonia, basically, my question is when you look around at other city governments and liability issues and statistics, are we pretty much in agreement with other communities? Are we more conservative, less conservative?

City Treasurer Andrews: We asked that question of our new actuaries, and they felt that at the 75 percent to 85 percent level, that's a very normal and in line with industry standards. There is no 1 percent of confidence level that is adopted across the board. It's really up to the jurisdiction. So 75 percent is very typical and not lower than any other jurisdiction.

Councilwoman Janik: One other point I'd like clarified. The actual amount of funds that we need to keep in reserve are very similar to what we were doing in the past?

City Treasurer Andrews: Absolutely. In the past, at the 85 percent level, it would be \$25 million; at the 75 percent level, it's now \$26 million that we would be required to maintain.

Councilwoman Janik: How does the 10 percent difference in I guess confidence levels then relate to only \$1 million difference, or is that statistics and we'll skip it? Do you understand my question?

City Treasurer Andrews: I do, and I think that it's because the actuaries have a different methodology in calculating confidence levels because it's a different actuary that we're using.

Councilwoman Janik: Thank you. I appreciate it.

Mayor Ortega: Councilmember Whitehead.

[Time: 01:06:07]

Councilwoman Whitehead: I was trying to figure out when this would go into effect. Of course, -- and I'm talking about the first part, where we add additional council review on projects that increase. When does this go into effect?

City Treasurer Andrews: Yes. Our financial policies go into effect at the beginning of the next fiscal year, so it will be July 1.

Councilwoman Whitehead: That's what I thought, but I wasn't sure. I couldn't tell. Obviously, as you know, I'm supportive of these projects because I think it will add clarity for the public and reduce any questions between staff and the council. So I'm really supportive of that and I understand as well as I need to on the 85 percent 75. Thanks.

Councilmember Graham: Thank you, Mayor. Thank you for the presentation, Sonia. Looking forward to the rest of it. Have we waived any policies recently in the last two or three years that you're aware of? We have these policies, we abide by these policies. Have we waived any?

City Treasurer Andrews: Mayor, members of the council, Councilmember Graham, as long as I've been here, since June of 2021, we have not waived any policies. Previously, I believe we have not waived any policies either. We may have waived some budget guidance but not the policy.

Councilmember Graham: Thank you. If we did, it was the last guy. It wouldn't have been under your watch. I like the 10 percent and \$2 million. Is that right?

City Treasurer Andrews: \$1 million.

Councilmember Graham: But if you think about a \$20 million project, that's pretty significant. It has to go over, right? Did you consider 5 percent? Or maybe tears or brackets? Do you see what I'm saying? Because we have some pretty big projects.

City Treasurer Andrews: We did. We considered different options and landed on this. We used last year's set of projects to see what would jump out requiring separate explanation. Looking at just last year's project.

And we felt that seven projects would have jumped out and that would be reasonable. Now, I can't speak to future projects.

Councilmember Graham: Of course not.

City Treasurer Andrews: And these policies can be changed every year. So if next year we find that 10 percent is too high, we can definitely recommend changing them to 5 percent.

Councilmember Graham: Very good. Are you concerned -- when I see 10 percent or \$2 million of this project

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City Treasurer Andrews: \$1 million.

Councilmember Graham: I get concerned about the definition of a project because people might say this override is actually a separate or sub-project or a future project. Do we have a tight definition on what project is so there's not the temptation to call an additional expense a separate project?

[Time: 01:09:17]

City Treasurer Andrews: We will define the project based -- each project is given a project number, so we will define that project based on that project number and will not take pieces of that project.

Councilmember Graham: Also, maybe you have two projects that we approve that kind of relate to the same thing and you can kind of massage that and say we'll apply the override to both of those. Is that a concern of yours?

City Treasurer Andrews: Not right now. If we do see a concern, we will definitely change the policy and change our practice to make sure this policy applies as intended, to provide transparency and to provide better expenditure controls.

Councilmember Graham: Can you go back to the obligations tab? I think it was the new policy number 2. It was the new policy.

City Treasurer Andrews: Keep going. No, I'm sorry. Next slide. That one.

Councilmember Graham: Will require City Manager approval and council approval of new programs, projects and services requiring future appropriations over \$1 million. Is that per year?

City Treasurer Andrews: Yes, that would be per project, per request.

Councilmember Graham: It sounds like what you're saying is we cannot approve a future project without a cost estimate, right? There can't be an open-ended cost estimate.

City Treasurer Andrews: Correct.

Councilmember Graham: Is that correct?

City Treasurer Andrews: Yes.

Councilmember Graham: Very good. And then go to the significant one-time. This concerns me because that is really four conditions that something has to meet. Because you can get a big one-time project, but if it's anticipated, it doesn't qualify. Is that what we're saying here?

City Treasurer Andrews: Absolutely. If it's anticipated, it would have been approved by council through the budget process.

Councilmember Graham: What if it's emergency, like COVID. Would that fall under this definition?

City Treasurer Andrews: Yes.

Councilmember Graham: Could you argue something could be anticipated one time non-operating but not significant? I guess you could. Do you see where I'm going? It's easy to disqualify something to meet these four requirements. I'm just a little concerned. I want to express my concern about that. Does that make sense?

City Treasurer Andrews: Yes.

Councilmember Graham: The last thing I want to ask you about is the actuary. You said you have we have a new actuary that is more conservative. Whose opinion is that it's more conservative? Is that what they said?

[Time: 01:12:11]

City Treasurer Andrews: No. It's their explanation of how they calculate it, the confidence level. So the explanation we received from them is the prior actuaries considered 85 percent confidence level as only 20 percent higher than the projected reserve, where they considered 85 percent confidence level at 38 percent higher than the required reserve.

Councilmember Graham: Is this an outside vendor who is saying this, it's their calculation? My concern with this policy, it seems like we're changing our internal policies based on which vendor we hire. That to me seems like a problem, because what if we go back to the old one?

City Treasurer Andrews: Councilmember Graham, I think that we are changing our policy based on our evaluation of what we consider as adequate reserves. So we felt that looking at the claims count and looking at the loss liability that we have and looking at what we feel are adequate reserve, that for years when we've had the previous actuary, the 20 million was adequate. We also have a loss trust fund board that reviewed this as well, and they also agreed that the 75 percent level would be adequate.

Councilmember Graham: So you don't think we're changing our policy based on who our vendor is.

City Treasurer Andrews: Correct, we're not changing our policy based on vendors.

Councilmember Graham: Thank you, Mayor. Thank you, Sonia, for answering those questions.

Councilwoman Caputi: I think Councilmember Graham touched on this a bit, but the slide that talked about the increasing to 10 percent and \$1 million for approval, I think the language was if there was a significant increase. I was curious. I think you actually answered this a bit, but to me, \$1 million and 10 percent in a capital improvement project, how many projects do we have that would trigger that? I'd be curious. Again, it sounds like a huge number, but in terms of a big capital improvement project, that sounds small to me and I'm concerned about us getting flooded by doing administrative chores up here. Curious what kind of load that might incur and how did we arrive at the 10 percent and \$1 million?

[Time: 01:14:41]

City Treasurer Andrews: Councilmember Caputi, we applied the 10 percent and \$1 million test to last year's projects, and seven projects jumped out as needing separate council presentation and explanation. When we looked at those seven projects, we felt those were very appropriate to bring to council for explanation. Now, we feel that if we apply this 10 percent and \$1 million to future projects and there are unnecessary presentations or projects being brought forward, we will propose changing that threshold.

Councilwoman Caputi: I'm totally fine with this, but I just want to point out we don't have any projects on our agenda tonight and we'll probably be here for many hours. An additional seven projects, we do have to weigh flexibility of what we're doing and as we've discussed many times, time is money too. There are trade-offs to pulling all these projects out and us doing another layer of approval. I want to make sure we're aware of that.

City Treasurer Andrews: The policy is also written to allow for or a written update to council. So if City Manager and staff decides that a public presentation is not necessary, we can provide a written memo to council to explain the cost increase.

Councilwoman Caputi: Perfect. Thank you so much, Sonia.

Mayor Ortega: Thank you. I'll close out with a couple of thoughts. First of all, I like the new policy 3.3, where we can try to look ahead and at least have some standard that the manager would report and that we would report, as a possibility. Secondly, I like the point, 75 percent confidence, because it's an inverse ratio, still allows -- if the claims increase, you do have more reserve. That sounds rational. So at this point I would conclude saying I support what the recommendations are, and especially whenever we can give a look ahead. We're not committing future councils, but we're at least being responsible by saying it appears that something may come forward that's outside of the five-year plan. Councilmember Janik.

Councilwoman Janik: Thank you, Mayor. Are you done with your presentation?

Mayor Ortega: We have one more.

City Treasurer Andrews: I have one last slide.

Mayor Ortega: Policy 12.

[Time: 01:17:19]

City Treasurer Andrews: If you go to -- yes, policy 12. This new policy is actually something we've been doing for a long time. It's allowed by the Arizona administrative code. This policy simply memorializes what we do in practice, to include our involuntary tort judgments and settlements as authorized by the state of Arizona's property tax oversight commission into our property tax levy to reimburse the city for the tort settlements.

Mayor Ortega: At this point, I would just say all of the accompanying text is obviously provided for us. I think it shows strong governance with a track record of understanding the amount of claims. Remember, we win most of those claims and they get zeroed out, but they have to be addressed. With that, I would move that we adopt resolution number 12755 relating to a Comprehensive Financial Policies as the formal guidelines for the city of Scottsdale, fiscal year 2023/24 financial management.

Councilwoman Whitehead: Second.

Mayor Ortega: Thank you, we have a motion and a second. Any other discussion? Seeing none -- well, I will comment, there was no public comment. We are ready to vote. Please record your vote. Thank you, unanimous.

ITEM 07 – PROCUREMENT CODE AMENDMENT

[Time: 01:19:12]

Mayor Ortega: We'll move on to item 7. Item 7 involves a procurement code amendment. Our presenter is the purchasing director, Robert Schoepe. Proceed.

City Treasurer Andrews: Mayor, council, I just wanted to provide a bit of introduction to this presentation. In January, we brought to council a proposal to increase our procurement threshold for formal solicitation. We brought to council a proposal to increase that threshold from 25,000 to 100,000. We heard council's concerns and we brought that back to staff, and we are proposing a lower threshold tonight, and also proposing not changing any of our controls to ensure that transparency, reporting what goes to council remains the same and what is available to our citizens remains the same. With that, I'm going to allow our purchasing director, Robert Schoepe, to go through his presentation to explain that.

Robert Schoepe: Thank you, Sonia. Mayor Ortega, Vice Mayor Littlefield, Council. The proposed ordinance change is to increase operational thresholds, that determine which methods are applied to the contracts and

purchasing efforts. However, I reassure you that it will not change any currently established contracts or council approval processes through either the consent or regular agenda.

The proposed ordinance change increases the informal threshold to \$50,000. We re-examined the contract activity and request the \$50,000 threshold amount listed before you today. This request is to eliminate delays for smaller dollar items that don't warrant the formal solicitation process. For example, sweeper brooms, firefighter boots, park bench refurbishing, services, are purchased under the same form and processes as more complex processes, such as airport software. Matching the best vendor selection method to the products and services will not only enhance our customer service, but we predict it will increase vendor participation by making the doing business with the city more user-friendly, especially to our Scottsdale small business community.

The proposed changes keep the current operational methods that ensure fair and competitive vendor selection and contracting efforts. These are listed on the left side of the table. The proposed change impacts the middle thresholds, that being the former \$10,000 to \$25,000, and the proposed \$25,000 to \$50,000 range. This change more evenly distributes the contract efforts in which 30 percent of our contracting efforts would fall under the informal dollar thresholds. As you can see, the activity within the \$25,000 to \$50,000 range still requires the competitive three quotes method for both one-time purchases and establishing the annual contracts. On average, informal contracts can take 15 to 45 days to award. Where the more formal contracts can take 45 to 160 days.

As mentioned, the intention of this request is for the operational improvement, to ensure no changes to the work process occurs we recommend amending the -- we regard threshold to the current amount of \$25,000. This additional change locks the award threshold to the specific amount of \$25,000 and the result is no change to the amount of future council agenda items seeking approval. It is a more precise approach to adjusting the informal and formal thresholds without impacting the approval limits.

[Time: 01:24:01]

We take pride in maintaining transparency and reassuring all that neither the council agenda awards will be no less transparent by these changes. The city of Scottsdale publicizes contract award information on our website with both council and administrative awarded status information available to all. For example, on the screen before you, if you were to screen "brooms," the contract at the bottom of the screen would appear and you can research on when the city of Scottsdale purchased the brooms, how much we spent on brooms in an estimate, and if we made any changes to the contract. We also post a history of the contract activity, including increases in the contract amounts. This is also adjacent to the bidding opportunities which most vendors are familiar with. I thank you for your time and your consideration this evening and I ask if there are any questions.

Mayor Ortega: Councilmember Caputi.

Councilwoman Caputi: I don't understand the slide with the \$25,000 anchor amount.

[Time: 01:25:22]

Robert Schoepe: The procurement code is divided into multiple sections. One section is the rules and regulations that determine how we select the vendors. It determines the processes and procedure. The procurement code houses awards in a separate section than the selection method, and that would be section 2.201. So we have to alter this dollar threshold in addition to the informal and formal threshold. The old code -- well, yesterday's code, if you approve this ordinance, made reference to the formal threshold. If we anchored this to \$25,000, then the formal threshold can be amended in, say, the future without impacting any of the award requirements.

Councilwoman Caputi: OK. When we heard the presentation before, I think the request to change it to \$100,000, we had said that request was made in 2010 or 2012, something -- what was the year? It was at least 10 or 15 years ago, right?

Robert Schoepe: Correct.

Councilwoman Caputi: I'll defer to the rest of my councilmembers, of course, but I would have been comfortable adjusting to \$100,000, again a level we would have been comfortable adjusting to 15 years ago. Certainly maybe it should even be more at this point. Again, as a small business owner in Scottsdale and someone who works with material that's expensive, that doesn't seem unreasonable to me at all and I like the fact that we're changing it because it does allow for small businesses to be able to participate. When you set these thresholds so high for a formal bid, all you're doing is making sure that the very large, well-funded companies are the only ones you'll get bids for. I love that we're making it more flexible and I'm perfectly comfortable with adjusting it up with whatever everyone agrees with.

Councilmember Graham: Thank you, Robert, for your presentation. Right now the smallest section direct, under \$10,000, which will be the \$25,000, it says direct select versus -- I'm sorry -- direct, select or three quotes. But we don't really under \$10,000, you don't ever really get three quotes, do you?

Robert Schoepe: We do from time to time, yes.

Councilmember Graham: On occasion? OK. And the aegis of purchasing or procurement, it's kind of materials and construction and professional services. Are those kind of the three categories, the three pillars? How would you kind of classify.

Robert Schoepe: The procurement code does classify them based on professional services, general services, commodities.

Councilmember Graham: OK, thank you. Is there ever any confusion or questions or ambiguity about certain vendors that may or may not be one cadre or another? It's usually pretty clear?

Robert Schoepe: The code has a section in it that provides definitions and defines, for example, professional services versus general services.

Councilmember Graham: Do you have any vendors that sell to us that what they sell to us falls into more than one category?

Robert Schoepe: Yes, sometimes. In that particular case we would default to the more stringent or conservative rule or regulation and we would also consult with the city attorney as well as the City Manager's office.

Councilmember Graham: Thank you, Robert and Sonia for tonight's presentation. Thank you, Mayor.

Mayor Ortega: Thank you.

Councilwoman Janik: I wanted to make a motion to adopt ordinance 4582 amending Scottsdale revised code, chapter 2, administration, article IV, financial affairs, division 4, procurement code sections 2.185 and 2-201, amending the purchasing thresholds and establishing the dollar limit associated with the awarding of contracts.

[Time: 01:29:30]

Councilmember Graham: I'll second.

Mayor Ortega: Thank you. Councilwoman Whitehead?

Councilwoman Whitehead: Thanks for modifying it down, even though I think we had enough to pass it in January. I think this makes people more comfortable and I'd like to review it in a year, see how it goes. I think all of us want to make the city more efficient and open up the ability for smaller local companies to bid. Thanks.

Mayor Ortega: Thank you. For the record, there was no public comment request. At this point, please record your vote. Thank you. Unanimous.

Next we will go to the public comment, revisit public comment. Public comment is an opportunity for Scottsdale citizens to comment on non-agendized items that were within the council's jurisdiction. No official council action can be taken on these items, and speakers are limited to three minutes to address council. I showed one person, Louise. Hello, Louise.

Louise Lamb: Mayor, City Council members, I'm Louise Lamb, 7706 East Vista Drive. I recently read that during the Giant home games, running from Fashion Square through downtown to the stadium and back, beginning one hour before the games and ending 30 minutes after the games. Why is it ending 30 minutes after the games? People will leave. They would like to go downtown, enjoy the downtown area, eat at our great restaurants. If they have parked at Fashion Square, someplace else and take the trolley back they won't come back and park. I think we need to extend those hours so people can enjoy the downtown area after a home game. Thank you.

Mayor Ortega: Thank you very much. At this point I will close the second session of public comment.

ITEM 08 – CITIZEN PETITIONS

[Time: 01:31:43]

Mayor Ortega: Moving on to citizen petitions, item 8. We are in receipt of a citizen petition, which was represented today by Mr. Leary and Mr. Thompson. So we have accepted that as the Clerk has accepted it. We have three options. The matter brought before would -- we do acknowledge the receipt of citizen petition. At this point, I would recommend number 3, take no action. I move for that.

Councilwoman Whitehead: I'll second.

Mayor Ortega: We have a motion and a second. Any discussion? Please record your vote. Thank you.

ITEM 09 – BOARDS, COMMISSIONS, AND TASK FORCE NOMINATIONS

[Time: 01:32:29]

Mayor Ortega: And we will now move on to the next item, which is Mayor and council item 9, which is the boards, commissions and task force nominations. At this point, we will be looking at the open board positions and boards, commissions and task force nominations. I will turn the meeting over to Councilmember Durham, chairing for Vice Mayor Littlefield.

Mayor Ortega: At this point we will ask Councilmember Durham to handle the nominations process.

Councilmember Durham: Thank you, Mayor. This evening, the City Council will be nominating Scottsdale residents interested in serving on citizen advisory boards, commissions and committees. The Scottsdale City Council is responsible for establishing city policies and enacting laws in support of these 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. Appointments for these positions will be made at a special City Council meeting on Tuesday, March 7, 2023.

Let's get started. The first one is the Airport Advisory Commission. The Airport Advisory Commission advises the City Council on policy matters relating to the operation of the airport, proposals for development, airport area land use fees and safety concerns. Charles McDermott's term expired in February. He is eligible for reappointment and has submitted an application for consideration. There is one vacancy and nine applicants. The applicants are Fred Atarian, April Beauboeuf, Gregory Cohen, Sabrina Haverty, Henry Hoffer, Fred Madanick, Kevin Maxwell, Charles McDermott and Carl Stein.

I will now entertain nominations for the Airport Advisory Commission. Each council member can nominate one applicant. I will start with Councilmember Graham.

Councilmember Graham: Ms. Haverty.

Councilmember Durham: Charles McDermott

Councilwoman Whitehead: Charles McDermott

Mayor Ortega: No additional.

Vice Mayor Littlefield: Charles McDermott.

Councilwoman Janik: Charles McDermott.

Councilwoman Caputi: Kevin Maxwell.

Councilmember Durham: Charles McDermott, Sabrina Haverty and Kevin Maxwell have been nominated. Thank you.

[Time: 01:35:59]

The next grouping is the Development Review Board, where there is one opening. The purpose of the Development Review Board is to review and approve architectural design and layout of proposed development plans. As outlined in the Scottsdale city code, the membership shall consist of a City Council member, a Planning Commission member and five public members, three of whom shall be architects, environmental scientists, landscape architects or persons otherwise qualified by design background, training or experience, and two of whom shall be land developers, builders or contractors.

Michael Joiner's term expired in February. She is eligible for reappointment and has submitted an application for consideration. There is one vacancy and seven applicants. The applicants are Francisco Castell, Michael Corso, Jon Griffin, Michal Joyner, Thomas Kube, Christopher Schroeder and Roger Strassburg. I will now entertain nominations for the Development Review Board. Each council member can nominate one applicant. We will start with Councilwoman Caputi and work our way down.

Councilwoman Caputi: Michal Joyner.

Councilwoman Janik: Michal Joyner.

Vice Mayor Littlefield: Michal Joyner.

Mayor Ortega: No additional.

Councilwoman Whitehead: Michal Joyner.

Councilmember Durham: No additional.

Councilmember Graham: No additional.

Councilmember Durham: Thank you. Michal Joyner has been nominated.

[Time: 01:37:52]

Next is the Human Relations Commission, where there is one opening. The Human Relations Commission advocates and promotes all dimensions of diversity. The commission acts as an advisory body to the Mayor, City Council and staff to make recommendations on ways to encourage mutual respect and understanding among people, to discourage prejudice and discrimination, and to work towards cultural awareness and unity.

Marie Mendoza's term expired in February. There is one vacancy and six applicants. The applicants are Marcie LePine, Priscilla Moore, Cynthia Romagnolo, Kylie Staples, Joshua Stearns and Marietta Strano. I will now entertain nominations for the Human Relations Commission. Each council member can nominate one applicant. We'll start with Councilmember Graham.

Councilmember Graham: You'll start with me again? Very good. Priscilla Moore.

Councilmember Durham: I will nominate Marietta Strano.

Councilwoman Whitehead: Marcie LePine.

Mayor Ortega: Joshua Stearns.

Vice Mayor Littlefield: Marietta Strano.

Councilmember Janik: Marietta Strano.

Councilwoman Caputi: Cynthia Romagnolo.

Councilmember Durham: Thank you. Marcie LePine, Priscilla Moore, Cynthia Romagnolo, Joshua Stearns and Marietta Strano have been nominated.

[Time: 01:39:48]

Next is the Library Board, where there is one opening. The Library Board advises the City Council on general policy relating to the programs, services and future development of the Scottsdale public libraries.

Marna McClindan resigned in December. The applicants are Eric Goeld, George Hartz, Paige Harvey, Bonnie Kabin, Adam Lyons, Sean McCracken, Frannie Oberman, Enid Seiden, Amanda Shetler Whitmer, Denise Sidlo and Christine Wilson. I will now entertain nominations for the Library Board. Each council member can

nominate one applicant. Mayor?

Mayor Ortega: Paige Harvey.

Vice Mayor Littlefield: Eric Goeld.

Councilwoman Janik: Christine Wilson.

Councilwoman Caputi: Enid Seiden.

Councilmember Graham: No additional.

Councilmember Durham: I would nominate George Hartz.

Councilwoman Whitehead: No additional.

Councilmember Durham: Thank you. Eric Goeld, George Hartz, Paige Harvey, Enid Seiden and Christine Wilson have been nominated.

[Time: 01:41:32]

Next is the Neighborhood Advisory Commission, where there is one opening. The Neighborhood Advisory Commission advises and makes recommendations to the City Council on policies, plans, strategies and programs for the preservation, improvement and revitalization of Scottsdale's housing and neighborhoods. Rachel Putnam's terms are expired and she is ineligible.

The applicants are Rachel Behrendt, Nancy Brady, Laurie Coe, Lee Cooley, Michael Crooker, Bob Dahms, Anna Fowler, Diane Frei, Craig Handzlik, Doreen Hollowell Sheri Lopez, Kristine Rodriguez, Michele Rusinko, Tami Smith, and George Spatola. I will now entertain nominations for the Neighborhood Advisory Commission. Each council member can nominate one applicant. I will start with Councilmember Whitehead and we'll move in this direction.

Councilwoman Whitehead: Nancy Brady.

Councilmember Durham: I nominate Rachel Behrendt.

Councilmember Graham: I nominate Ms. Lopez.

Councilwoman Caputi: Lee Cooley.

Councilwoman Janik: No additional.

Vice Mayor Littlefield: Laurie Coe.

Mayor Ortega: No additional.

Councilmember Durham: Rachel Behrendt, Nancy Brady, Laurie Coe, Lee Cooley and Sheri Lopez have been nominated.

[Time: 01:43:36]

Next is the Parks and Recreation Commission, where there is one opening. The Parks and Recreation Commission advises City Council on the acquisition of lands and facilities for use as parks or recreation centers, and on the operation, use, care and maintenance of these parks and recreation areas.

Steve Maizeer resigned from the commission in February. There is one vacancy and three applicants. The applicants are Eric Maschhaupt, Kim Ollerhead and Pam Roberts. I will now entertain nominations for the Parks and Recreation Commission. Each Councilmember can nominate one applicant.

Councilmember Graham: Thank you. I nominate Ms. Ollerhead.

Councilmember Durham: I nominate Eric Maschhaupt.

Councilwoman Whitehead: No additional.

Mayor Ortega: Pam Roberts.

Vice Mayor Littlefield: No additional.

Councilwoman Janik: No additional.

Councilwoman Caputi: We're good.

Councilmember Durham: Eric Maschhaupt, Kim Ollerhead and Pam Roberts have been nominated.

[Time: 01:44:56]

Next is the Tourism Development Commission, where there is one opening for the industry representative. The Tourism Development Commission advises City Council on matters concerning the expenditure of revenues from the transaction privilege tax or the tax on transient lodging, known as the bed tax, designated for tourism development.

As specified in the Scottsdale city code, the Tourism Development Commission shall consist of representatives of the tourism industry in Scottsdale, including a minimum of four Scottsdale hoteliers, one member of the Scottsdale convention and visitor's bureau and a balance from elements of the tourism industry.

Anna Mineer's term as an industry representative expired in February. She is eligible for reappointment and has submitted an application for consideration. There is one industry representative position vacancy and 12 applicants. The applicants are Kovilakonda Babu, Yvonne Cahill, Jacque Duhamel, Julie Fisher, LoriAnn Harnish, Rand Hubbell, Bonnie Lundquist, Ray Michaels, Anna Mineer, Robin Murphy, Jinger Richardson, and Mary Thoma. Let's start with Councilmember Caputi.

Councilwoman Caputi: Anna Mineer.

Councilwoman Janik: Anna Mineer.

Vice Mayor Littlefield: Anna Mineer.

Mayor Ortega: Anna Mineer.

Councilwoman Whitehead: Anna Mineer.

Councilmember Durham: Anna Mineer.

Councilmember Graham: Ray Michaels.

Councilmember Durham: Thank you. Ray Michaels and Anna Mineer have been nominated.

[Time: 01:46:58]

Next is the Veterans Advisory Commission, where there is one opening. The Veterans Advisory Commission advises the City Council on veterans' programs, policies and practices and serves as community connection point for veterans in the community where they live. Andrew Edwards resigned from the commission in January.

There is one vacancy and 11 applicants. The applicants are Erika Acorn, Ronald Brown, Gerald Conover, Roger Day, Joe DuBois, David Grubier, Tiffany Johnson, Justin Layman, Jane Legacy, John McHugh, and Bethany Schilling. I will now entertain nominations for the Veterans Advisory Commission. Each Councilmember can nominate one applicant.

Councilmember Graham: Roger Day.

Councilmember Durham: I nominate Bethany Schilling.

Councilwoman Whitehead: Justin Layman.

Mayor Ortega: Justin Layman.

Vice Mayor Littlefield: Joe DuBois.

Councilwoman Janik: No additional.

Councilwoman Caputi: Justin Layman.

Councilmember Durham: No additional. Roger Day, Joe DuBois, Justin Layman, and Bethany Schilling have been nominated.

[Time: 01:48:28]

This concludes our nomination process this evening. Individuals nominated will be contacted by city staff with additional information. I would like to take this opportunity to sincerely thank all who applied to serve on a citizen advisory board or commission. We had in outstanding applicants this evening, and even if you are not nominated, your application will remain on file for one year for consideration at a future date if there are additional vacancies. Thank you, Mayor. I will turn the meeting to you.

Mayor Ortega: Thank you so much. At this point, we are concluded with our agenda items. So, I will ask for a motion to adjourn.

Vice Mayor Littlefield: So, moved.

Councilwoman Whitehead: Second.

Mayor Ortega: Thank you, motion and second. Please record your vote. Say goodbye to February.