



APPROVED SUMMARIZED MINUTES

**CITY OF SCOTTSDALE
PROTECT AND PRESERVE SCOTTSDALE TASK FORCE
REGULAR MEETING**

**Monday, April 10, 2023
Community Design Studio
7506 E. Indian School Road
Scottsdale, Arizona 85251
4:00 p.m.**

CALL TO ORDER

The regular meeting of the Scottsdale Protect and Preserve Task Force was called to order at 4:00 p.m.

ROLL CALL

PRESENT: Cynthia Wenstrom, Chair
Raoul Zubia, Vice Chair
Carla
James Eaneman
Nicholas Hartmann
Jace McKeighan
Daniel Schweiker
Mark Winkleman
John Zikias

STAFF: Nick Molinari, Parks and Recreation Director
Sonia Andrews, City Treasurer/Chief Financial Officer
Gina Kirklin, Enterprise and Finance Director
Sherry Scott, City Attorney
Stephanie Tippett, Parks and Recreation Manager
Carol Banegas Stankus, Staff Representative

PUBLIC COMMENT

There were no public comments.

1. APPROVAL OF MINUTES

Chair Wenstrom called for corrections to the minutes.

VICE CHAIR ZUBIA MOVED TO APPROVE THE MINUTES OF MARCH 29, 2023 AS PRESENTED. MEMBER WINKLEMAN SECONDED THE MOTION, WHICH CARRIED 9-0 WITH CHAIR WENSTROM, VICE CHAIR ZUBIA AND MEMBERS CARLA, EANEMAN, HARTMANN, MCKEIGHAN, SCHWEIKER, WINKLEMAN AND ZIKIAS VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

2. PARKS AND RECREATION DEPARTMENT UNFUNDED NEEDS

Nick Molinari, Parks and Recreation Director, led the discussion regarding the ten top priorities among the unfunded needs in the Parks and Recreation Department relative to the Task Force's work. The highest percentage of use for City parks is passive use and drop-in use. With 25 neighborhood parks and 15 community parks, much of the use is not necessarily tracked. The neighborhood parks are not staffed. While the community parks are staffed, there are no ongoing counts in terms of public drop-in uses. The parks are open from sunrise to 10:30 p.m.

Park use details and approximate visitor counts were reviewed for the following categories:

- Dog parks
- Rental groups
- Drop-in sports courts
- Playgrounds
- Adult sports leagues
- Youth sports leagues
- Sports tournaments
- Sport field rentals
- McCormick-Stillman Railroad Park
- Sports complexes
- Multiuse paths
- Special events
- Exercise courses

Member Hartmann asked if youth sports leagues are subject to rental fees. Mr. Molinari stated that the youth sports field allocation policy provides youth sports partners with a 50 percent discount for sport field rentals.

Member Zikias inquired as to the total fees received by the City annually. Mr. Molinari said these figures can be provided to the Task Force.

In response to a question from Vice Chair Zubia, Mr. Molinari identified the Reata Pass Sports Complex as being located at 98th Street South of Bell and east of WestWorld. Vice Chair Zubia asked whether the park merges with the park located at Bell and 94th. Mr. Molinari stated that physically, they are separate, however they were included in the bond as one question, funded in response to the direction to build sports fields in the area of Bell and the freeway. Two separate parcels of state land were purchased to build a six-field sports complex at Bell94, with the Reata

Sports Complex built as a five-field sports complex. The two are managed collectively with the previous sports complex, Scottsdale Sports Complex.

Mr. Molinari reviewed the list of unfunded priorities:

1. Indian Bend Wash Lakes and Irrigation bond project completion
2. Park security, roving and enforcement
3. Maintenance operations and resources
4. Indian Bend Wash Master Plan improvements
5. Pickleball courts/sport courts
6. Off leash areas/dog parks
7. Indian School Park Master Plan improvements
8. Lifecycle replacements
9. Amenity improvements
10. Irrigation and landscape improvements

Member Carla asked for an estimate of the cost for the Indian Bend Wash Lakes and Irrigation bond project, scheduled to be completed in five years. Mr. Molinari estimated \$30 to \$40 million forecasting out five years.

Member Schweiker requested that the Task Force be provided with project cost estimates, where feasible. Mr. Molinari estimated park security, roving and enforcement to cost approximately \$1.5 million annually. Maintenance operations and resources is estimated at approximately \$1 million per year.

Member Carla asked whether some maintenance is deferred or does not occur, due to lack of funding. She further asked if there is a baseline level of maintenance covered by funding. Mr. Molinari stated that budget allocation is based on maintenance standards through the planning process. Typically, the budget is not allocated based on city regions. There are maintenance standards established for different types of parks and amenities. Community parks such as Chaparral, Vista Del Camino and Eldorado generally have elevated maintenance standards compared to neighborhood parks.

In response to a question from Member Zikias, Mr. Molinari stated that the Indian Bend Wash Lakes and Irrigation represent one project specific to the category of irrigation and landscape improvements. However, this same need exists in all of the City's older parks. Parks built pre-1980 likely have the highest need for irrigation replacement or improvement. The majority of the older parks with this need exist south of Shea. Much of the outdoor park use shifts to aquatic facilities during the summer months.

Member Zikias suggested that updates and information on the aquatic park facilities be included in the Task Force's work as a relevant subject, given the shift to their use in the summer and the potential for unmet needs in the future. Mr. Molinari confirmed that staff can address this going forward, as there are unmet needs in this area, similar to needs in traditional parks.

Mr. Molinari reviewed the Master Plans relevant to Parks and Recreation. The Indian Bend Wash Master Plan was completed in 2018, after passing through a public process. It is notable that the majority of items presented to the Task Force were identified in the Community Services Master Plan, which was completed in 2015. The Community Services Master Plan also identified all of the projects included in the 2019 bond associated with Parks and Recreation and served as the

guiding document for managing maintenance and future prioritization of projects. The Indian School Park Master Plan, currently commencing, will identify a number of improvements, however costs have not yet been determined. It is currently unknown whether the three separate facilities will be replaced with a single facility. There will be a public outreach process, where citizens and stakeholders can provide input. The Parks and Recreation Master Plan, commencing in May, will be a comprehensive analysis of the park system and will ultimately replace the Community Services Master Plan. The master planning process for Cactus Park is kicking off in preparation for the Cactus aquatic facility replacement funded through the bond. Cactus Park functions as a retention basin and has only one enterable ingress and egress. This is problematic, considering the level of use for the aquatic center and the park. The planning will investigate the possibility of ingress or egress on Scottsdale Road. This will involve working with the Transportation Department to identify improvements prior to the design of the aquatic center. A significant priority throughout master planning involves ADA accessibility. This involves redesigning spaces built prior to 1990.

3. CITY OF SCOTTSDALE BUDGETING PROCESS

Sonia Andrews, City Treasurer/Chief Financial Officer, discussed operating revenues. The General Fund, restricted revenues and enterprise revenues combined total \$800.5 million. The City has a \$1.2 billion capital budget. There must be budget authority to enter into long-term construction projects identified in the CIP process.

The Fiscal Year 22/23 CIP budget consists of the following:

- Voter authorized bonds: \$120 million
- Restricted revenues: \$63.3 million
- Enterprise revenues: \$7.5 million
- Transfer from operating funds: \$165.2 million
- Future funds programmed for CIP: \$810.7 million

There are three categories of dedicated funding:

- Transportation Program, not available for funding Parks & Recreation projects
- Enterprise Systems (water, sewer, Airport, solid waste), not available for funding Parks & Recreation projects
- Voter approved capital programs (property taxes, dedicated sales tax and special assessments)

Other funding is derived from federal/state/county funds; government or private partners; General Fund revenues and other operating revenues. Ms. Andrews reviewed a list of projects that were included for funding in the Bond 2019 program. The original budgets were developed commensurate with the time of approval. However, inflationary pressures have increased many of the costs significantly. Budget shortfalls for these projects must then rely on the General Fund to make up the difference; many projects are competing for those dollars.

Member Zikias asked about a scenario where a project budget is \$50 million short and there is not sufficient funding to move from the General Fund. Ms. Andrews stated that the project may have to be reengineered to a smaller project, for which there is sufficient funding or be delayed until funding becomes available.

In response to a question from Member Zikias, Mr. Molinari confirmed that approved projects lacking sufficient funding will be presented to the Task Force as unfunded needs. This year, additional funds for some bond projects have been submitted for City Council approval through the budget process. This does not include all projects, such as the Cactus aquatic facility replacement. Historically, the bond programs have not fully funded all projects included in the bond. In the 2019 bond, there were three separate questions, one addressing parks, one addressing community spaces and infrastructure and the other for IT. Based on election law, a municipality is permitted to use funds within each bond question. This means that if one project ends up costing more than anticipated, funds allocated for other projects within the bond question could be used to make up the difference. Historically, there have been many projects that were not completed, due to inflation or cost increases.

Ms. Andrews stated that as the Bond 2019 Program was approved as a result of a citizen vote, these are considered priority projects. A list of Bond 2019 parks and open space projects was briefly reviewed.

The 0.2 percent Preserve tax ends in 2025. The 0.15 percent tax continues for five years. There have not yet been projections for capital improvements, as the Preserve Task Force is currently working on recommendations. There is approximately \$240 million of outstanding debt, which will be paid back by 2034. At the end of five years, the project fund balance is \$178 million, of which \$18 million is reserved for debt and \$159 restricted for capital improvements. Based on what was approved by the voters, the 0.15 percent tax may only be used for capital improvements and not for maintenance or operations. One of the options to fund capital projects is to ask voters for another bond package. A second is to have a dedicated sales tax.

Prioritization criteria for service facility projects includes:

- Mayor and City Council's strategic goals and priorities
- Mandated
- Emergency/negative impacts for not investing
- Annual operating costs
- Matching funds
- Economic vitality
- Master Plan
- Distributional effects

Chair Wenstrom asked for an explanation of the term, "distributional effects." Mr. Molinari stated that this typically refers to how the impacts of the project are distributed among the community in its entirety.

Ms. Andrews reviewed the General Fund transfer avenues to CIP projects, which include 50 percent of the construction sales tax, interest income and one-time transfers. This year's budget includes sizable one-time transfers, due to land sale proceeds and excess sale tax revenues collected. These are not projected to continue at the same rates. When developing the budget for Fiscal Year 23/24, 80 projects with a total of \$393.1 million were included in the nonfunded category. Based on projections, 50 are able to be funded at a total of \$107.7 million, again due to the significant excess transfers last year and this year.

Member Carla asked if dedicated revenue sources can include a combination of Parks, Preserve, Police and Fire or whether there must be separate questions for each. Sherry Scott, City Attorney,

stated she was not prepared to answer the question immediately, however, the legal department will be conducting some research relative to this inquiry. They will be looking into the legal requirements and will likely be providing confidential advice on parameters to the Task Force. Member Carla requested direction as soon as possible, as this will assist in guiding the formation of surveys and other Task Force work plan elements.

Member Winkleman agreed that further guidance is necessary. For example, the work plan assigned to the Task Force from City Council states, “Tasks involve studying and understanding the perpetual maintenance, protection and preservation needs.” Based on this direction, it is unclear if capital improvements even fall under this task. Ms. Scott stated that she could look at this in greater detail. The Task Force’s main goal is to determine the needs. Staff will provide advice based on those determinations regarding a potential ballot question and how best to navigate the process. In addition, the Task Force should have some discretion to determine what the work plan language means. Member Hartmann requested that staff provide guidance in terms of the Task Force’s discretion, as this is not clear as of yet. Gina Kirklin, Enterprise and Finance Director, stated that the first task is to determine whether there are unfunded needs. Once this determination is made, a recommendation can be made in terms of a funding mechanism and level of funding.

Ms. Andrews reviewed takeaways for CIP funding:

- Reliance on the General Fund unless other primary source of funding is available (other than for Transportation, Enterprise Systems and voter-approved capital funding)
- Many priorities or wish lists go unfunded

Long term funding options for parks and open space come from two sources:

- Voter approval required:
 - Dedicated sales tax
 - GO Bond program
- City Council approval required:
 - Fees and charges
 - General Fund revenues
 - Reallocation of other available funds

4. PROGRESS AND PROPOSED TIMELINES ON THE PROTECT AND PRESERVE SCOTTSDALE TASK FORCE WORK PLAN

Ms. Kirklin reviewed the phases of the Task Force’s work plan. The survey was postponed to provide the Task Force time to review the results of the community survey. The Task Force is being educated on the Parks and Recreation Department and will be hearing from Preserve, Human Services and Public Safety. Phase II will include one more meeting to discuss Parks and Recreation, including follow-ups requested by the Task Force. Discussions on the Preserve will commence on April 24th and conclude in early June. Other needs will then be addressed in July and August. These discussions should provide a good basis to determine whether there are unfunded needs. At that point, the Task Force will begin to quantify the unfunded needs and possible funding recommendations.

Chair Wenstrom suggested that during its next meeting, the Task Force consider a motion to determine whether there are unfunded needs.

5. IDENTIFICATION OF POSSIBLE FUTURE AGENDA ITEMS

The following agenda item was identified:

- Details, information and projections regarding ongoing maintenance needs
- Follow-ups to questions and requests for clarification posed by Task Force members

6. ADJOURNMENT

With no further business to discuss, being duly moved by Vice Chair Zubia and seconded by Member McKeighan, the meeting adjourned at 5:55 p.m.

AYES: Chair Wenstrom, Vice Chair Zubia, Members Carla, Eaneman, Hartmann, McKeighan, Schweiker, Winkleman and Zikias.

NAYS: None

SUBMITTED BY:

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