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CALL TO ORDER

[Time: 00:00:05]

Mayor Lane: Good afternoon, everyone. Welcome to the Kiva. I would like to call to order our August 25th, 2014 City Council meeting. Start with the roll call, please.

ROLL CALL

[Time: 00:00:12]

City Clerk Carolyn Jagger: Mayor Jim Lane.

Mayor Lane: Present.

Carolyn Jagger: Vice Mayor Guy Phillips.

Vice Mayor Phillips: Here.

Carolyn Jagger: Councilmembers Suzanne Klapp.

Councilwoman Klapp: Here.

Carolyn Jagger: Virginia Korte.

Councilmember Korte: Here.

Carolyn Jagger: Bob Littlefield.

Councilman Littlefield: Here.

Carolyn Jagger: Linda Milhaven.

Councilwoman Milhaven: Here.

Carolyn Jagger: And Dennis Robbins.

Councilman Robbins: Here.

Carolyn Jagger: Acting City Manager Brian Biesemeyer.

Brian Biesemeyer: Here.

Carolyn Jagger: City Attorney Bruce Washburn.

Bruce Washburn: Here.

Carolyn Jagger: City Treasurer Jeff Nichols.

Jeff Nichols: Here.

Carolyn Jagger: City Auditor Sharron Walker.

Sharron Walker: Here.

Carolyn Jagger: And the Clerk is present.

[Time: 00:00:35]

Mayor Lane: Thank you. We have cards if you would like to speak on any item on the agenda. That's the white card the city clerk is holding over her head on my right here. If you would like to give us written comments, there's a yellow card she now has over her head that you can fill out and that we would read during the course of the proceedings. We do have Scottsdale Police Officer Tom Cleary here to assist in any way that you may need assistance from him. The area behind the Council dais is for staff and Council access only. Those restrooms over here to my immediate left under that restroom sign are there for your convenience.

PLEDGE OF ALLEGIANCE

[Time: 00:01:21]

Mayor Lane: This evening we'll start with the Pledge of Allegiance from Councilman Littlefield.

Councilman Littlefield: I pledge allegiance to the flag of the United States of America and to the republic for which it stands, one nation, under God, indivisible, with liberty and justice for all.

Mayor Lane: Thank you, Councilman.

INVOCATION

[Time: 00:01:55]

Mayor Lane: For an invocation tonight, in replacement for an invocation I would like for us all to take a couple minutes to give some thought or prayer, whichever you might prefer for yourself, a moment of silence in consideration for an American James Foley who was assassinated, killed in Iraq this past week. I'm sure most of you have heard about him, a journalist held hostage for the last year or so and was used as an example. Against the United States, his killing. If we would just take a moment to think or pray. Thank you very much.

ADDED ITEMS

[Time: 00:02:53]

Mayor Lane: We have no Mayor's Report or City Manager's Report this evening. But we do have an added item, that is Consent Item Number 26 was added on August 21st and that is outside envelope of addition to our agenda of 10 days prior. So I'd ask for a motion to accept the agenda item as presented or to continue the item until the September 9th meeting.

Councilman Robbins: I move we add that to our agenda tonight.

Councilwoman Milhaven: Second.

Mayor Lane: Motion has been made and seconded to add it and keep it on our agenda for this evening. Also made and seconded. All those in favor please indicate by aye and register your vote. It's unanimous to accept on it our agenda.

CONSENT AGENDA

[Time: 00:03:38]

Mayor Lane: On the Consent items we do have item 19, a Transit Service Intergovernmental Agreement is being removed at the request of staff and will be brought back on the September 9th City Council meeting. That item has been moved, removed from our Consent items.

We have a request to speak on two of the Consent items. We'll start with, you know what I'm going to do here is I'm going to request that we speak toward item 11. We do have a request to speak on that, and I would like to have staff speak toward item 11, but we'll go ahead and hold that one off. It won't be pulled but we will at least address it as a Consent item.

We do have a request to speak from Dawn Brokaw and Susan Wheeler with regard to item 9 and this is an item brought forward to us as a direct result of these two women to provide improvement to lighting regulations in the zoning ordinance. So we do have Susie and Dawn, if you would like to come forward to speak on that, express their support. They're not asking to have it removed, but they went through some effort to make some revisions, which I think we all see as positive, and I think that the staff worked closely with you on it, but, please, ladies.

[Time: 00:05:28]

Dawn Brokaw: My name is Dawn Brokaw from the Cactus Corridor, and it's been a long journey here. We have been talking about staff about this for a couple years. I first became aware of the lighting problems when I developed cataracts, and lights can be very painful, they can be blinding, and we started talking to the staff about current ordinance, and lighting technology has changed a lot in the last few years. It's not just wattage anymore. It's also lumens. But even more than that it's the temperature. The high beams on your car are 65 watts and 1700 lumens. But they burn at 55,000 K. Under the old and the current lighting ordinance, those are legal to hang on your house. So we talked with staff, and they recognized, they were very good about recognizing the importance of not only those parameters but shielding and direction, too. So we're very pleased with their help. Thank you.

[Time: 00:06:28]

Susan Wheeler: I'm Susie Wheeler from the Cactus Corridor and I was with Dawn when we were doing this, and I would just like to thank a few people in the community who got involved, Don and Marilyn Andrews and Sonnie Kirtley. Then I also would like to thank you for listening to our petition and then putting it into motion, and we'd like to thank staff, and Don Hadder did a lot of work with us, and he promised not to retire until we were done, and he didn't, which was very nice. And Dan Symer, Kathe Anderson, Tim Curtis and Kira Wauwee. We would like to thank staff because they did a wonderful job in giving us that information we needed and helping us. Thank you.

Mayor Lane: Thank you, ladies. Appreciate your input in that two-year-long effort. And keeping Don around for that full two years until he finished it. There's probably a few other things he's maybe left unattended to, but nevertheless, we got that covered. But thank you.

I'm going to ask if you would, we do have one person who would like to speak toward item 11, which is the Cake Nightclub In-Lieu Parking Credits. It's requested to adopt Resolution 3894 to participate in an in lieu parking program. Here I think we have Mr. Grant here who might be able to speak toward it, but before I go to that, we do have Michael Alexander who would like to speak toward this.

[Time: 00:08:19]

Michael Alexander: Hello. I would just like to know how this place has been opened and in operation without the required amount of parking. I've also heard some rumors about non-permitted work going on during odd hours. That's it.

Mayor Lane: Okay. Thank you, Mr. Alexander. Mr. Grant, I wonder if you could just take a couple moments. We did receive a letter, members of Council here received a letter, about some issues with regard to permitted activities as well as the issue of parking has come up. But that's what we're specifically addressing here. Where has the staff been with regard to this recommendation, much less anything that might be outstanding?

[Time: 00:09:08]

Planning and Development Services Director Randy Grant: Mayor, members of the City Council, thank you, Randy Grant, Planning and Development. We have been involved with this, the applicant came forward to occupy a space previously occupied by another bar, another nightclub, and during that transition and remodeling, there were allegations of work being done without permits and so on and so forth. We did go in and do inspections towards the end of that process. I can't say for sure that there wasn't work done that should have required a permit, but we were comfortable at the time that the authorization to go ahead and open the business was given that safety requirements had been met. I haven't seen the letter, quite honestly, yet. I know the allegations that are out there related to permitting and that type of thing. There have been allegations more recently about some things related to those permits being issued. We are looking into those. I don't know that we're going to have different facts at the end of that investigation. But I would say that just based on the recent information that we've got that probably a continuance of this item would be appropriate.

Mayor Lane: All right. Thank you, Mr. Grant. Would you have any feedback you would like the Council to hear on this.

[Time: 00:10:48]

Court Rich: Sure, Mayor, members of Council, for your records, it's Court Rich with the Rose Law Group on behalf of the Cake Nightclub. I would ask you, I get the feedback that just occurred, but this is an item, this dispute you're hearing about with regard to permits, I worked on this very closely with the owners of the nightclub, and I can tell you that we've never been more involved with the city in a permitting process, and so I know the city has reviewed what's out there. The owner is there with the consent, the acknowledgment, inspections everything are done. What you are being asked to do is get in the middle of a landlord tenant dispute tonight and I would ask you to not inject yourself into that dispute. If at some point in the future the city determines that there's some deficiency in the building permit or some other process, there are plenty of lanes available open through the city to enforce that and to do whatever you need to do. I don't think you're going to find any issue there, but if you do, there are other opportunities. The issue on the table tonight is about parking. They

qualify for the parking. This use has been in place for 10 years. They actually have the same parking lease in place today that the previous owners have had in place for a decade. It's but a mere technicality that the city is changing its interpretation of the way that it views that parking lease, and so all we're here today is asking from a technical standpoint to stop paying, not even to stop, we still have the lease with the private entity, but to start paying the city for in-lieu parking spaces. Has nothing to do with the building permit. No matter the answer we will still be asking you to approve this. So to the extent you need more information on the building permit, we're happy with a continuance. But the building permit is the building permit. The parking question is the parking question. I would ask you not to inject yourself into this landlord-tenant dispute and allow this to move forward.

[Time: 00:12:46]

Mayor Lane: Thank you, Mr. Rich. I would ask the Council whether they would like to have a separate vote on this or whether we want to consider some other course of action with this. Separate vote? Let's go ahead and pull this off of Consent right now for a separate vote and any further discussion that we may want to have for it as well. So we then, and it looks like we have no other comment cards on the Consent items. And item 19 has been removed. And now Item 11 is pulled for separate consideration. So it would be Items 1-26A minus Items 11 and 19. Do I have a motion to approve those Consent items?

Councilmember Korte: Mayor, I move to Items 1 through 21A except for items 11 and 19.

Mayor Lane: Motion has been made and seconded. So I think then we're ready to vote. There is no further comment. All those in favor please indicate by aye and register your vote aye. It's unanimous. Tally is 7-0. These items are here for Consent items. Other than 11, you're free to go or stay with us. So we will go immediately to the first item that was actually pulled for separate consideration and for discussion, and that is Item 11, and as I already indicated, that is the Cake Nightclub In-Lieu Parking Credits. I have 2-IP-2014 and their request for Resolution 9434 to approve that request. Do I have any, Councilwoman Milhaven?

Councilwoman Milhaven: I move we continue this to September 9th.

Mayor Lane: Motion has been made to continue the item.

Councilwoman Klapp: Second.

Mayor Lane: And seconded. Any further comment on this item at this time? Seeing none, then I think we will vote on that motion. All those in favor please indicate by aye and register your vote aye. And the tally is 5-2 with Councilman Littlefield and Vice Mayor Phillips opposing. So that item will be continued to that date.

REGULAR AGENDA

[Time: 00:15:25]

Mayor Lane: We'll move on to Regular Agenda items, which we have two items on the Regular Agenda, and we'll start with Item 27, which is the City of Scottsdale Unity Pledge. This is a request of Council member Korte to adopt Resolution 9867 authorizing and directing the Mayor to sign the Unity Pledge on behalf of the City of Scottsdale. The item was added by Mayor Lane, Vice Mayor Phillips, Councilmembers Klapp, Korte, Littlefield, Milhaven and Robbins. We do have a presentation, I believe, part of, our Diversity Liaison, Sharon Cini. Yes, Sharon, please.

[Time: 00:16:23]

Diversity Liaison Sharon Cini: Honorable Mayor and City Councilmembers, thank you for this opportunity to speak on behalf of the Unity Pledge 2014. The Unity Pledge provides Arizona businesses the opportunity to pledge towards an inclusive Arizona and to share their support for equality for all Arizonans. Because workplace equality in housing and hospitality can be an issue for LGBT citizens, your support as Scottsdale leaders will be the next step forward in building a world-class inclusive community. The Office of Diversity needs stay current on diversity-related issues. The relevancy of diversity and a better emphasis on inclusionary practices is the catalyst in meeting this mission. Messages like the Unity Pledge is part of the community framework that successfully capitalizes on the integration of inclusive values and practices. The Scottsdale Human Relations Commission recommendation: the commission has you know is made up of Scottsdale residents with the desire to advocate and promote all dimensions of diversity. Most importantly, this 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 and to discourage prejudice and discrimination, thereby to work towards cultural awareness and unity. During the August 11, 2014 Human Relations Commission meeting this commission unanimously voted to make a recommendation to the City Councilmembers to pledge. The Scottsdale human relations commission wholeheartedly supports the City Council to sign the Unity Pledge. Smart businesses want to attract LGBT professionals and travelers. LGBT citizens make up \$830 billion in buying power each year in the U.S. According to a report from the center for American progress, workplace discrimination, including discrimination against LGBT employees, costs businesses \$64 billion each year. The human rights campaign corporate equality index reflects that 99% of responding businesses prohibit discrimination based upon sexual orientation and 84% of responding businesses prohibit discrimination based upon gender identity. Smart businesses value diversity and know that we have a responsibility to treat all citizens with the same dignity and respect. At this time I would like to introduce my copresenter, Mr. David Simmons. David is the chair for the City of Scottsdale LGBT employee resource group and is a designated LGBT liaison to the City Manager and to the Office of Diversity. It is my pleasure to welcome David Simmons.

Mayor Lane: Mr. Simmons, welcome.

[Time: 00:19:41]

David Simmons: Thank you Sharon, honorable Mayor and City Councilmembers. The next few slides here highlight specific businesses who have already pledged the Unity Pledge. Both small and major

employers have taken the pledge, and these companies represent over 15,000 employees citywide. As quoted by the president of Scottsdale community college, I'm proud of our foundational values that define us as a welcoming campus for all who desire to learn, grow and achieve. By signing the Unity Pledge, our commitment of support to the LGBT community and all others is absolute. As quoted from the Scottsdale Chamber of Commerce: the Scottsdale area Chamber of Commerce is honored and pleased to be a signatory of the Unity Pledge. In so many ways the business community has been in the forefront of embracing inclusive environments and increasingly relocating corporations demand that communities to which they relocate demonstrate strong support for all of their employees. Investing in equality is something that is good for cities. Being a welcoming place for all people, including LGBT people is good for the city's population, good for public relations, and pays dividends in terms of attracting and attracting job-creating businesses. Here are some other quotes from some other local businesses. Although we cannot share all of the quotes, you will see that these businesses understand that diversity is core. They respect different backgrounds, cultures and perspectives. Research shows that enduring growth for cities comes from an open, diverse, tolerant social environment that is appealing to a diverse range of creative and talented people and that creative and talented people of all kinds use the LGBT inclusiveness as a proxy to see how well they will fit in there. Cities perceived to be LGBT inclusive have higher measures of economic growth. Pictured here is Steven Zylstra, President and CEO of Arizona Technology Council. The photos show the open for business to everyone, a sign that signifies their commitment to this pledge. For mass mutual financial group, Annie and Emily, PetsMart, PetsMart's Andy, Vice President of Public Affairs, and this last quote was of local Arizona's team members, the largest local business coalition in the nation with over 3200 members. When a city is inclusive of LGBT citizens, it sends a signal that it's diverse. This message resonates with more than just LGBT citizens. It resonates with the entire community and people who want to come here. Scottsdale's economic success depends upon great talent and diversity is one of our greatest strengths. Protecting the LGBT citizens, tourist and business visitors to Scottsdale is the right thing to do and we know that we can count on you this evening to stand up and support, in support of workplace, housing and hospitality equality. So, thank you all very much for opportunity to present. Staff recommends the adoption of Resolution 9867.

Mayor Lane: Thank you very much, Mr. Simmons. We do have several cards that would like to speak on this and some public testimony on it. And we would start with Angela Hughey.

[Time: 00:23:39]

Angela Hughey: Can you see me over the podium? Many times I'm not tall enough. Thank you, Honorable Mayor and City Councilmembers for the opportunity to address you. My name is Angela Hughey, cofounder and president of One Community. We are a member-based coalition of businesses, organizations and individuals who support diversity, inclusion and equality for all Arizonans. In 2013 One Community launched the Unity Pledge. To date over 1,000 businesses and organizations with over 500,000 employees have proudly taken the pledge. Businesses of all sizes, including Scottsdale-based businesses such as Tall Wave and the Saguaro, the Valley Ho, the Camelback Inn, Mayo Clinic, Scottsdale Lincoln Health Network, and the two Chick-Fil-As, on Shea and 101.

My family migrated to Scottsdale in the mid-'80s because they believed Arizona and Scottsdale in

particular was the land of opportunity. I will never forget getting grape juice at the Grapevine for attending Arabian horse shows. And as a graduate of Saguaro High School I have more than a little bit of Saber Cat pride in telling you that nearly 15% of the businesses and organizations who have signed the Unity Pledge are based right here in Scottsdale. Jason, the president of First Service in Arizona, has this to say about why they signed the Unity Pledge. Whether it's securing top talent, building a great company, culture or managing a community, we feel strongly about being inclusive and welcoming diversity in all aspects of our business. The business community and like-minded individuals understand that if we want to attract, if we want to compete for top talent we must have diverse and inclusive workplaces. John Martinson, the president of China Mist had this to say: We signed the Unity Pledge because at our core we believe no person should be denied employment or any other right afford to do any other human being. Smart Scottsdale based businesses and organizations want to attract LGBT professionals and travelers. These businesses value diversity and know that we have a responsibility to treat the LGBT community with the same dignity and respect as other communities. In closing I'll leave you with this quote from Lane Barker, Executive Director of DEVRO Arizona. Over 100 years DEVRO was founded on the belief that every human being deserves opportunity to live up to his or her potential. At DEVRO Arizona we demonstrate the core value every day by providing a welcoming and affirming environment for our employees and the individuals we serve. We signed the Unity Pledge because we know diversity strengthens our organization and our community. Tonight I respectfully ask you for a unanimous vote in signing the Unity Pledge. Thank you.

Mayor Lane: Thank you, Angela. Next we'll hear from Josh Zaragoza.

[Time: 00:26:53]

Josh Zaragoza: First I would like to thank honorable Mayor Lane and the City Councilmembers to give me opportunity to express my support tonight. My name is Josh. I'm with the Human Rights Campaign, the nation's largest LGBT civil rights organization. Also a tireless ally to the LGBT community and equally important a native Arizonan. I'm here tonight because I fully support the Council in the signing of the Unity Pledge, and as Angela stated, it would be a unanimous vote. Ultimately in hopes this is the next step in the passage of nondiscrimination ordinance. I firmly believe being inclusive and welcoming is best for Scottsdale families and economic prospects. As Sharon, David and Angela pointed out. So I will be brief. By signing the Unity Pledge it would be a great first step in making Scottsdale a regional leader in attracting and attracting top talent and businesses. That is all I have for you this evening. Thank you for giving me the time.

Mayor Lane: Thank you. Next is Dr. James Campbell.

[Time: 00:28:08]

James Campbell: Mr. Mayor, Mr. Vice~Mayor, members of the Council, thank you for allowing me to speak here this afternoon. As the Vice Chair of your Human Relations Commission, we have done our homework before our action to support the Unity Pledge. I just want to give you an idea that we have a long conversation and dialogue with the LGBT community before we come to where we are today.

So I just want to assure you that your human rights commission members are working for the benefit of the city and as you have requested us to do. So, quickly, I just want to say that the members of the Human Services Commission is enthusiastic and unanimous in asking you to vote unanimously to the place you are reviewing today. Thank you very kindly.

Mayor Lane: Thank you, Dr. Campbell. Last in these requests to speak is Eileen Rogers.

[Time: 00:29:39]

Eileen Rogers: Thank you for allowing me to be here tonight. I am here as a very proud 31-year resident of Scottsdale and a 31-year business owner, also as a past chair of your Human Relations Commission and the Housing Board. I'm excited to know that there's a possibility for a unanimous vote here on the Unity Pledge. We've been a partner for some time, and fully believe that equality, diversity and inclusiveness are foundational core values that this city has an opportunity to say very loudly. So, again, I hope that you will come back with a unanimous vote and let's tell the business community and everyone living in this community that we are, again, the best community to live and invite the best and the brightest to be here. Thanks.

Mayor Lane: Thank you, Eileen. Nice to see you. That completes the public testimony on this item. So we have before us the request to pass this resolution on the Unity Pledge. We'll start off with some comments from the Council. Starting with Councilwoman Korte.

[Time: 00:30:59]

Councilmember Korte: Thank you, Mayor. First I would like to thank all of the Councilmembers for the support to bring this on the agenda tonight. That speaks volumes for this organization. You know, the Unity Pledge is a really concerted effort by Arizona businesses and individuals to advance workplace equality, and if we look back in the last six months here in Scottsdale, we have invested in two very important strategic research projects, and one is the five-year tourism plan, and the other is the economic development strategy plan. Strategic plan. And both of those instruments came forth in the need to be inclusive and tolerant and embrace all diversities so that we can attract the best and the brightest talent to our city. I believe it's important to our businesses to be inclusive. I also believe it's very important in our tourism industry. And besides just being the right thing to do. So I would like to make a motion to adopt Resolution 9867 authorizing and directing the Mayor to sign the Unity Pledge on behalf of the City of Scottsdale.

Mayor Lane: I'll second that motion. And I would like to speak toward it at this point. Just to say as David Twitter said from The Venue, this is a natural, I think, for Scottsdale. It's absolutely, I think, what Scottsdale really is all about, always has been. I mean, enunciating it and proclaiming it is always a good thing. It's like our pledge to civility in our political action. All those things that we find as a high value. And certainly when you talk about unifying a community, who can be opposed to that? I don't think there's really a course that we should be thinking in way otherwise. I think it's Angela who said when her parents came here in the '80s, something along the lines, Arizona was the land of opportunity, and, Angela, it's good to see you here. To hear you talk toward this. Frankly, to

talk with great pride about our state and our city, and I think that's really, that speaks volumes in and of itself where we are.

I don't think we're coming out of a hole, Scottsdale, on this issue. I think this is just something for, it's important for us to enunciate, as I said before, and to pledge exactly is what that word is. That in and of itself is something that I think is important for everybody in our community to understand. There's tolerance, acceptance, and there's freedom, freedom for everyone here to be what they want to be. And that brings that opportunity that we talk about. And I think that's an important component. So I would only say I've seconded it because I believe this is an appropriate Avenue and an appropriate proclamation, if you will, of where the city stands with regard to how we treat everybody, and that goes across the board. So, but in any case, I want to thank you for bringing it forward, and I think this is a reasonable one. You know, I realize the value of all that you've talked about here, but I do not think this city operates under any kind of concern for the fact that we're looking at this only as economics. I think we're looking at this as a human issue, and that's what I would like to leave it as. So thank you very much for that that. Councilwoman Klapp?

[Time: 00:34:51]

Councilwoman Klapp: I would like to point out that the sign that's used, the open for business to everyone, was actually, as I understand it, created by a small business person in the middle of Phoenix who owns a Fast Signs. He printed the signs up and distributed them voluntarily to people for no cost to pick up and put in their business windows. So I'm happy to sign the pledge tonight because I voluntarily put one of these signs in my business window probably two months ago when they were first available, and I think it's important that business owners voluntarily do these sort of things to make a statement as to the fact that they welcome everyone in their businesses, as I do, and so this is just a natural progression for me to sign the Unity Pledge tonight, but I do want to thank that gentleman at the Fast Signs on Central Avenue in Phoenix for making those signs available, because they took hold, and a lot of people got copies of them, and I've seen them in other businesses throughout the city. So here in Scottsdale I've seen a few, haven't seen a whole lot. I would challenge some of the business owners to put the signs in their businesses as well.

Mayor Lane: Councilwoman Korte.

Councilmember Korte: Thank you, Mayor. I believe that those open to business signs were printed by Fast Signs but, Angela, do you want to give the history behind that? I think you were behind the open for business.....

Mayor Lane: Yes, please.

[Time: 00:36:23]

Angela Hughey: Scott Kohler is a very proud community business member and we were actually working on something else, and our team came up with the open for business to everyone sign. So we created those collaboratively, and Councilmember Klapp, I will tell you that we just printed another

10,000 signs. So I don't know how you feel about 110 degree heat, but we're happy to go walk through Scottsdale and pass out as many complimentary open for business to everyone signs as you would like to see.

Councilwoman Klapp: Thank you.

Mayor Lane: Thank you, Angela, again, and thank you Councilwoman. Seeing we have no further comments on this at this point in time, we do have in front of us a motion and a second on the request to adopt Resolution 9867, authorizing and directing the Mayor to sign the Unity Pledge on behalf of the City of Scottsdale. I think we're then ready for a vote on this. All those in favor indicate by aye. Those opposed with a nay. It is unanimous, just as you called for. David, I think you were the first to call for that unanimous vote, and I think we were able to provide that. So thank you very much. We generally don't allow for clapping, but...

MONTHLY FINANCIAL UPDATE

[Time: 00:37:43]

Mayor Lane: Our next item and you're certainly welcome to stick around for this, but it might be a little staid. This is a Monthly Financial Report, is our next item on the Regular Agenda, and we have our Treasurer, Mr. Jeff Nichols, here.

[Time: 00:38:02]

City Treasurer Jeff Nichols: Honorable Mayor, Councilmembers, first monthly report for fiscal year '15, and I'm happy to be here to give it to you and that it is a positive report. I would like to say just a caveat is that, realize, this is the first month of a 12-month period, so it accounts for about 8.3% of what we will do on annual basis. I wouldn't place a whole lot of credence in it one way or another. So having said that, going forward, I'll point out some of the variances that are quite significant on the revenue side first.

And the first one I would like to address is the franchise fee and in lieu tax, a positive variance of approximately \$1.5 million. That simply is attainment that we had budgeted for August from APS. We received a payment in July. So we have a variance at the end of August. That variance will go away. Another one of the variances you'll notice there under building permits, we had budgeted approximately \$900,000. To date we've received approximately \$1.9 million. I've asked Development staff to look into that. Is that just an anomaly? When I look at the historic history on that, you look back at the '12-13 actuals of \$600,000, increasing to \$1.5 million in '13-14 and then increasing to \$1.9, is this something we can expect to go on? If it is, I would just like to remind you that these are truly, for Scottsdale, one-time revenues. I mean, at some point in time we know we're not going to have as much developable land. This might be the tail end of the permits that were issued last year and we're just starting to collect the revenue on them or permits approved last year that we're starting to collect the revenue on that.

The last one I would like to speak to is the transfers in, and, again, just a timing difference. We had budgeted for the transfer from the bed tax of \$1.5 million into the General Fund. That transfer did not take place.

We'd also budgeted a debt service reserve for the TPC, and I am bringing that issue forward and discussion with the Tourism/Development Commission in September. Staff now feels that there is not a need for that because the financial policy relates to a 1% sales tax, and this project is not being funded with the 1% sales tax. So we feel there may not be a need for that reserve. However, I would like to ask the Commission to use it to complete project, on other projects financing. So I'll be back to report on what their recommendation is.

Looking at the sales tax, you'll notice right there, we're right on target. We budgeted \$7.5 million. We've selected \$7.5 million. There's very few variances within that category. What I would like to point out is that our forecast had included a 3% increase in sales tax, but as you can see year over year for month of July we're up about 7.9% when comparing the month of July of '14 to July of '13. That is a positive. We'd like to see the green lines continue, and certainly welcome them being above the forecast line as well.

Looking at General Fund operating by category, again, not much variance within personnel services. The one variance you're seeing there that's significant under contractual commodities and capital outlie is just a timing issue. For the vast majority of the areas they budgeted for something within the month of July, and they haven't completed that transaction yet or the procurement yet. So we don't expect, I mean, it may carry forward, but it may not. And it's not very significant. If you look by division, again, slight variances within each division. July is a very difficult month as far as expenses because, as you know, we're reviewing everything in the month of July and accruing a lot of that back to fiscal year '14 for accounting purposes. That is a review that we do by hand. I mean, they're looking at every payment request and making a determination which year it applies to. So I would expect variances in this month. Because we have a lot of activity end of a fiscal year. So overall, the results for the General Fund, positive change in fund balance of about \$1.9 million made up of the sources, 1.4, and uses about 500,000 dollars. With that I would take any questions you may have.

Mayor Lane: Thank you, Mr. Nichols, for the comprehensive, there's only one really quick question: are we impacted at all by adjustments from the year end? Or any, are any of these numbers either high or low or otherwise changed by virtue of anything that came in on a cash basis from the previous year?

Jeff Nichols: We are not affected in the month of July by the accruals for year end. I mean, we're getting them in the proper accounting period. So we are not, this is on a budget basis.

Mayor Lane: Okay. Very good. Thank you. I don't see any further questions of you. Thanks again for the presentation.

Jeff Nichols: Thank you very much.

MAYOR AND COUNCIL

[Time: 00:44:04]

Mayor Lane: Under our Mayor and Council items our next item is the Boards and Commissions and Task Force nominations. We have Rachel Smetana who will be controlling on this, and we do have our Vice~Mayor Phillips who will be taking over from here. So to you.

Vice Mayor Phillips: Thank you, Mayor. This evening the City Council will be nominating Scottsdale residents interested in serving on nine citizen advisory Boards and Commissions. The nine with vacancies are the Airport Advisory Commission, the Building Advisory Board of Appeals, the Development Review Board, Historic Preservation Commission, the Library Board, Loss Trust Fund Board, the McDowell Sonoran Preserve Commission, the Personnel Board, and the Planning Commission. Those nominated will be interviewed at the City Council meeting on Tuesday, September 9th, and appointments will follow each set of interviews.

AIRPORT ADVISORY COMMISSION

[Time: 00:45:04]

Vice Mayor Phillips: So I guess we'll get started with the Airport Advisory Commission. There are two openings. The Airport Advisory Commission advises on aviation issues, including maintenance, operations, proposed development, fees, leases, land use and safety. Steven Ziomek is eligible for reappointment and submitted an application. There are two vacancies and three applicants. The applicants are Brad Barry, Jim Finley and Steven Ziomek. I will now entertain nominations for the Airport Advisory Commission. Each Councilmember can nominate two applicants and we'll start with Councilmember Robbins.

Councilman Robbins: I nominate Brad Barry and Steven Ziomek.

Councilwoman Milhaven: I'll add Jim Fendley.

Vice Mayor Phillips: If there are no further nominations.....

Mayor Lane: We're covered.

Vice Mayor Phillips: All three have been nominated.

BUILDING ADVISORY BOARD OF APPEALS

[Time: 00:46:02]

Vice Mayor Phillips: So we'll go onto the Building Advisory Board of Appeals. There are no applicants for that.

DEVELOPMENT REVIEW BOARD

[Time: 00:46:13]

Vice Mayor Phillips: So then we will go onto the DRB, Development Review Board. Purpose of the Development Review Board is to review and approve architectural design and layout of proposed development plans. There's some special qualifications as specified in the Scottsdale City Code. The DRB membership consists of a City Council member, Planning Commission member and five public members. Three of whom shall have design background and two of whom shall have development background. The current vacancies require that at least one member have a development background and at least two members have a design background. Ali Fakh is eligible for reappointment and submitted an application. There are four vacancies and eight applicants. The applicants are Paul Alessio, Ted Luther, Matthew Mason, Andrew Olson, Christopher Thuman, Joe Young and Kelsey Young. So we'll now entertain nominations for the DRB board and I guess we can start with Councilmember Klapp. We ended there.

Councilwoman Klapp: Four people would be Paul Alessio, Matthew Mason, Joe Young and Kelsey Young.

Mayor Lane: I'd add a nomination and to reappointment Ali Fakh.

Councilman Littlefield: Luther.

Councilmember Korte: No further nominations.

Vice Mayor Phillips: I have no further either. That will conclude this, sorry.

Councilman Robbins: No additional.

Councilwoman Milhaven: No additional.

Vice Mayor Phillips: There you go.

HISTORIC PRESERVATION COMMISSION

[Time: 00:47:58]

Vice Mayor Phillips: So onto the Historic Preservation Commission, there's one opening, the Historic Preservation Commission oversees development and management of Scottsdale's historic preservation program. The state recommends having a member of this commission from one of each of the following professions, a registered architect, a real estate professional, archaeologist and a historian. Each discipline currently is accounted for and no special consideration is necessary for this vacancy. There is one vacancy and one applicant and the applicant is Alyssa Gerszewski. I will now entertain

nominations for the Historic Preservation Commission. Starting with Mayor Lane.

Mayor Lane: Thank you. Yes, looking for historian, Ellen Kirchman.

Assistant to the Mayor Rachel Smetana: I'm sorry Mayor, there is currently only one applicant.....

Mayor Lane: I'm sorry. I'm looking at the, well, then, we will select Alyssa Gerszewski.

LIBRARY BOARD

[Time: 00:49:05]

Vice Mayor Phillips: Seeing she is nominated we will move to the Library Board. There are 2 openings. The Library Board advises Council on general policy relating to programs and future development of the library. Peggy Sharp-Chamberlain is eligible for reappointment and has submitted an application. There are two vacancies and five applicants. The applicants are Dana Braccia, Hamilton Durning, Christine Naiman, Dierk Seeburg and Peggy Sharp-Chamberlain. So I'll now entertain nominations for the Library Board. Each Councilmember can nominate two applicants. Councilman Littlefield?

Councilman Littlefield: Durning and Seeburg.

Councilmember Korte: Dana Braccia and Peggy Sharp-Chamberlain.

Vice Mayor Phillips: No further.

Councilman Robbins: No further.

Councilwoman Milhaven: No further.

Councilwoman Klapp: Christine Naiman.

Mayor Lane: No further.

Vice Mayor Phillips: So I believe all have been nominated.

LOSS TRUST FUND BOARD

[Time: 00:50:11]

Vice Mayor Phillips: Loss Trust Fund Board there are no applicants.

MCDOWELL SONORAN PRESERVE COMMISSION

[Time: 00:50:16]

Vice Mayor Phillips: McDowell Sonoran Preserve Commission there is one opening. The McDowell Sonoran Preserve Commission with the assistance of city staff makes recommendations to the City Council on such items as preservation, strategy funding, land acquisition, educational, promotional programs, master planning and other Preserve-related issues. There is one vacancy and one applicant and the applicant is Jace McKeighan. I will now entertain nominations with Councilmember Korte.

Councilmember Korte: I nominate Jace McKeighan.

PERSONNEL BOARD

[Time: 00:50:56]

Vice Mayor Phillips: Thank you. Next is Personnel Board. There are no applicants.

PLANNING COMMISSION

[Time: 00:51:00]

Vice Mayor Phillips: And now Planning Commission, there is one opening. The Planning Commission makes recommendations to the City Council on all matters relating to the creation of zoning districts, enforcement of zoning regulations and amendments to all zoning ordinances. There is one vacancy and nine applicants. The applicants are Paul Alessio, Robert Cappel, Ali Fakih, Grant Hayzlett, Martin Lieberman, Sharon Pfeifer, Robert Rogers, Christopher Thuman and Linda Whitehead.

So I'll now entertain nominations for the Planning Commission. Each member may nominate one applicant. I'll begin with Robert Cappel.

Councilman Robbins: Ali Fakih.

Councilwoman Milhaven: Paul Alessio.

Councilwoman Klapp: No further nominations.

Mayor Lane: No further.

Councilman Littlefield: Linda Whitehead.

Councilmember Korte: No further.

Vice Mayor Phillips: So we have our four nominees. And this concludes our nomination process. The city staff will contact those who are nominated and provide them with additional information about the interview process. I would like to take this opportunity to sincerely thank all who applied to serve on a citizen advisory board or commission. Even if you were not nominated your application

will remain on file for one year for consideration at a future date if there are additional vacancies and we urge you to apply again. And thank you very much. I'll turn the meeting back over to the Mayor.

Mayor Lane: Thank you, Vice Mayor. That does complete our work for the evening. There are no further Public Comments.

ADJOURNMENT

[Time: 00:52:43]

Mayor Lane: There are no petitions that have been submitted or, and so then we, I'll accept a motion to adjourn.

Mayor Lane: Seconded. All those in favor of adjournment please indicate by aye. We are adjourned. Thank you very much, everyone.