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#### **CALL TO ORDER**

[Time: 00:00:06]

Mayor Lane: GOOD EVENING EVERYONE. NICE TO HAVE YOU HERE. I'D LIKE TO CALL TO ORDER THE SEPTEMBER 10, 2013, OUR REGULAR COUNCIL MEETING, AND WE'LL START WITH THE ROLL CALL, PLEASE.

#### **ROLL CALL**

[Time: 00:00:14]

City Clerk Carolyn Jagger: MAYOR JIM LANE.

Mayor Lane: PRESENT.

Carolyn Jagger: VICE MAYOR SUZANNE KLAPP.

Vice Mayor Klapp: HERE.

Carolyn Jagger: COUNCILMEMBERS VIRGINIA KORTE.

Councilmember Korte: HERE.

Carolyn Jagger: BOB LITTLEFIELD.

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Councilman Littlefield: HERE.

Carolyn Jagger: LINDA MILHAVEN.

Councilwoman Milhaven: HERE.

Carolyn Jagger: GUY PHILLIPS.

Councilman Phillips: PRESENT.

Carolyn Jagger: DENNIS ROBBINS.

Councilman Robbins: HERE.

Carolyn Jagger: CITY MANAGER FRITZ BEHRING.

Fritz Behring: HERE.

Carolyn Jagger: CITY ATTORNEY BRUCE WASHBURN.

Bruce Washburn: HERE.

Carolyn Jagger: ACTING CITY TREASURER LEE GUILLORY.

Lee Guillory: HERE.

Carolyn Jagger: CITY AUDITOR SHARRON WALKER.

Sharron Walker: HERE.

Carolyn Jagger: AND THE CLERK IS PRESENT.

[Time: 00:00:38]

Mayor Lane: THANK YOU. JUST A LITTLE BUSINESS TO ATTEND TO. WE DO HAVE CARDS IF YOU'D LIKE TO SPEAK ON ANY OF THE ITEMS ON THE AGENDA, THAT'S THE WHITE CARD THE CITY CLERK IS HOLDING UP OVER HER HEAD TO THE RIGHT HERE. AND IF YOU'D LIKE TO MAKE COMMENTS ON ANY OF THE AGENDA ITEMS, THE YELLOW CARD IS FOR THOSE COMMENTS WHICH WE WILL READ AT THE POINT IN TIME THAT AGENDA COMES UP. WE HAVE TIME FOR PUBLIC COMMENT AND THOSE CARDS ARE THE SAME WHITE CARD BUT THEY'RE FOR SPEAKING TOWARD A NON-AGENDIZED ITEM. WE HAVE SCOTTSDALE OFFICERS GREG CARLIN AND CRAIG CLEARY. THEY'RE HERE IF YOU HAVE ANY NEED FOR THEIR ASSISTANCE. AND THE AREAS BEHIND THE COUNCIL DAIS ARE RESERVED FOR STAFF AND COUNCIL. WE HAVE FACILITIES UNDER THAT CLEARLY MARKED RESTROOM SIGN FOR YOUR CONVENIENCE.

**PLEDGE OF ALLEGIANCE**

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[Time: 00:01:31]

Mayor Lane: TODAY WE HAVE THE PLEASURE OF HAVING BROWNIE TROOP 2245, GOING TO BE LEADING US IN THE PLEDGE OF ALLEGIANCE. SO LADIES, I HOPE YOU'RE ALL READY. COME ON UP TO THE MICROPHONE. IF WE COULD ALL STAND THEN, PLEASE.

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, LADIES, IF YOU COULD, INDIVIDUALLY JUST COME UP TO THE MIKE AND INTRODUCE YOURSELF AND TELL US WHERE YOU GO TO SCHOOL AND WHAT YOUR FAVORITE SUBJECT MIGHT BE. CONTROL YOURSELF. JUST ONE AT A TIME, PLEASE.

MY NAME IS ALENA, SECOND, READING.

MY NAME IS NATALIE. SECOND GRADE, AND MY FAVORITE SUBJECT IS MATH.

MY NAME IS ANNA. I'M IN SECOND GRADE. AND MY FAVORITE SUBJECT IS READING.

MY NAME IS HALEY AND I'M IN SECOND GRADE, AND MY FAVORITE SUBJECT IS READING.

MY NAME IS ALISE AND I'M IN SECOND GRADE AND MY FAVORITE SUBJECT IS MATH.

MY NAME IS MADELINE. AND I'M IN SECOND GRADE. MY FAVORITE SUBJECT IS READING.

MY NAME IS SOPHIA, AND I'M IN SECOND GRADE. MY FAVORITE SUBJECT IS READING.

MY NAME IS CHLOE AND I'M IN SECOND GRADE AND MY FAVORITE SUBJECT IS WRITING.

Mayor Lane: VERY GOOD. THANK YOU LADIES.

**INVOCATION**

[Time: 00:04:30]

THANK YOU, LADIES. I'D ASK IF NICHOLAS MENTHA IS HERE. HE WAS GOING TO BE GIVING THIS EVENING'S INVOCATION. IF HE'S NOT HERE THEN WHAT I WOULD ASK IS THAT WE TAKE A FEW MOMENTS JUST TO THINK ABOUT THE WORLD AFFAIRS MAYBE AND THE SITUATION IN THE MID EAST THAT WE MIGHT BE ABLE TO HELP WITH IMPROVING THAT SITUATION HOWEVER WE HAVE TO GO ABOUT IT.

**MAYOR'S REPORT**

[Time: 00:05:17]

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THANK YOU. YOU KNOW, WE HAVE A SPECIAL EVENT THAT'S COMING UP. IT HAPPENS TO BE CONSTITUTION DAY. THERE WERE 39 BRAVE MEN THAT SIGNED THE CONSTITUTION IN 1787 AND CREATED ONE OF THE WORLD'S MOST INFLUENTIAL DOCUMENTS. NEXT WEDNESDAY, SEPTEMBER 17th, THIS NATION CELEBRATES CONSTITUTION DAY. TO COMMEMORATE THIS EVENT I INVITED AND HAVE INVITED SCOTTSDALE STUDENTS TO DESCRIBE WHAT THE CONSTITUTION, ARTICLES AND ALL AMENDMENTS, INCLUDES WHAT THE BILL OF RIGHTS MEAN TO THEM IN WORDS OR IN ART. FOR ANY FURTHER INFORMATION, IF YOU'D LIKE TO PARTICIPATE OR HAVE A CHILD THAT PARTICIPATES, PLEASE, YOU CAN LOG ON TO SCOTTSDALEAZ.GOV OR CALL MY OFFICE. MR. BEHRING, DO YOU HAVE A REPORT? THE CITY MANAGER HAS NO REPORT OR PRESENTATION.

**PUBLIC COMMENT**

[Time: 00:06:26]

Mayor Lane: NEXT ORDER OF BUSINESS IS FOR PUBLIC COMMENT. WE HAVE PUBLIC COMMENT RESERVED FOR CITIZEN COMMENTS REGARDING NON-AGENDIZED ITEMS WITH NO OFFICIAL COUNCIL ACTION TAKEN ON THESE ITEMS. SPEAKERS ARE LIMITED TO THREE MINUTES EACH WITH A MAXIMUM OF FIVE SPEAKERS AND THERE WILL BE ANOTHER OPPORTUNITY AT THE END OF THE MEETING IF THERE IS A CALL FOR IT. WE DO HAVE BUT ONE CARD AT THE PRESENT TIME ON THE PUBLIC COMMENT SIDE AND IT IS SAM WEST. MR. WEST.

[Time: 00:07:10]

Sam West: MAYOR, COUNCILMEMBERS, THANK YOU FOR THE TIME. I HAVE A REQUEST THAT I WOULD HOPE THAT EITHER ONE OF THE COUNCILMEMBERS OR THE MAYOR COULD GET AN ANSWER FOR ME FOR, AND I WOULD LIKE TO KNOW IF THE MEMBERS OF THE GENERAL PLAN TASK FORCE ARE SERVING AS CITIZENS OF THE CITY OF SCOTTSDALE OR IF THEY'RE SERVING REPRESENTING THE GOVERNMENT OF THIS CITY OF SCOTTSDALE. THANK YOU.

Mayor Lane: THANK YOU, MR. WEST. THAT WAS OUR ONLY PUBLIC COMMENT TESTIMONY.

**MINUTES**

[Time: 00:07:53]

Mayor Lane: WE'LL MOVE ALONG TO THE NEXT ORDER OF BUSINESS. THAT IS THE APPROVAL OF MINUTES AND DO I HAVE A MOTION TO APPROVE THE REGULAR MEETING MINUTES OF AUGUST 19, 2013 AND AUGUST 20th, 2013, OR ARE THERE ANY COMMENTS OR CHANGES ADS OR DELETIONS IN.

Councilman Robbins: I MOVE TO APPROVE.

Councilmember Korte: SECOND.

Mayor Lane: MOTION TO APPROVE AND SECONDED. BEING NO FURTHER COMMENTS, WE'RE READY TO VOTE. ALL THOSE IN FAVOR PLEASE INDICATE BY AYE AND THOSE OPPOSED WITH AYE AND THOSE OPPOSED WITH A NAY. APPROVAL OF MINUTES IS UNANIMOUS, 7-0.

**CONSENT AGENDA**

[Time: 00:08:29]

Mayor Lane: NEXT ORDER OF BUSINESS IS OUR CONSENT ITEMS WHICH ARE ITEMS 1 THROUGH 19. BUT WE HAVE HAD ITEM 10 AND 11 WERE MOVED TO THE REGULAR AGENDA. AND WE HAVE ONE REQUEST TO SPEAK ON ITEM 11, WHICH WILL BE ON THE REGULAR AGENDA, SO. WITHOUT THOSE TWO ITEMS THAT HAVE BEEN MOVED TO THE REGULAR AGENDA, DO I HAVE A MOTION TO APPROVE?

Councilmember Korte: SO MOVED.

Councilman Robbins: SECOND.

Mayor Lane: MOTION HAS BEEN MADE TO APPROVE. CONSENT ITEMS 1 THROUGH 19 ABSENT ITEMS 10 AND 11. AND IT'S BEEN SECONDED. ANY FURTHER COMMENT? SEEING NONE, WE'RE READY TO VOTE. ALL THOSE IN FAVOR PLEASE INDICATE BY AYE, ALL THOSE OPPOSED PLEASE SAY NAY. 7-0 FOR THE CONSENT ITEMS. HOPE WE CAN KEEP THIS PACE UP. OKAY.

**REGULAR AGENDA**

[Time: 00:09:28]

Mayor Lane: WE'LL MOVE ON THEN TO REGULAR AGENDA ITEMS WHICH INCLUDE 10 AND 11. WE'LL START WITH ITEM 10, THAT'S THE CIVIC CENTER LIBRARY REPAIR GENERAL OPERATING REPAIR CONTINGENCY FUND TRANSFER. MR. EARLE, ALREADY POSITIONED.

**ITEM 10 – CIVIC CENTER LIBRARY STRUCTURAL REPAIR GENERAL FUND OPERATING CONTINGENCY BUDGET TRANSFER**

{Time: 00:09:46}

City Engineer Derek Earle: TRYING TO KEEP THE EFFICIENCY. MAYOR, MEMBERS OF COUNCIL, I'D LIKE TO GIVE YOU A BRIEF PRESENTATION ON AGENDA ITEM NO. 10 WHICH A REQUEST FOR A TRANSFER FOR REPAIRS TO BE MADE TO TWO PARKING GARAGES FOR THE CITY OF SCOTTSDALE. THE TWO GARAGES IN QUESTION ARE BOTH LOCATED IN DOWNTOWN SCOTTSDALE. THE FIRST ONE, I DON'T KNOW IF WE'RE SET FOR. THE FIRST PARKING GARAGE IS COMMONLY KNOWN AS THE CIVIC CENTER PARKING GARAGE. IT'S LOCATED SOUTH OF THE CIVIC CENTER MALL AND SERVES THE LIBRARY, COURTS AND SEVERAL OTHER BUILDINGS. THE OTHER PARKING GARAGE, WHICH I WILL USE THE TERM 2ND STREET PARKING GARAGE, OF ALL THE PARKING GARAGES WE'RE TALKING ABOUT, IT'S THE ONLY ONE NOT ON 2ND STREET BUT I APOLOGIZE FOR THE CONFUSION. IT'S ON WELLS FARGO. SOMETIMES YOU HEARD IT REFERRED TO AS THE SMOKER GARAGE OR THE SCPA GARAGE, SOME PEOPLE CALL IT THE LOS OLIVOS GARAGE. FIRST PARKING GARAGE, CIVIC CENTER LIBRARY WAS BUILT IN 1985, CONTAINS ABOUT 700 PARKING SPACES, USED FOR CITY FUNCTIONS, FOR EXAMPLE, LIBRARY, COURTS, CIVIC CENTER MALL, SCPA SHOWS AND VERY HEAVILY FOR THE STADIUM FOR SPRING TRAINING. SECOND STREET PARKING GARAGE WAS BUILT IN 1975 AND ACTUALLY LOOKING AT OLD RECORDS, THIS WAS

ORIGINAL REFERRED TO AS THE CITY PARKING GARAGE BECAUSE IT WAS THE ORIGINAL PARKING GARAGE BUILT FOR THE CITY OF SCOTTSDALE. CONTAINS 350 PARKING PLACES AND AGAIN, IT'S USED FOR DOWNTOWN VENUES LIKE SCPA, SMoCA AND DOWNTOWN BUSINESSES. WE HAVE IDENTIFIED CONCERNS THROUGH ROUTINE INSPECTIONS OF THE GARAGE THAT REQUIRE SOME IMMEDIATE REPAIR. ONE OF THE THINGS WE REFER TO IN THE ENGINEERING WORLD IS FAULT CONCRETE, SOME OF THE CONCRETE THAT'S BROKEN OFF, HAS OCCURRED IN BOTH BUILDINGS. IN SEVERAL CASES, SOME OF THE SUPPORTING BEAMS OF THE STRUCTURES ARE CRACKED. SOME OF THE FLOOR BEAMS, ESPECIALLY IN THE 2ND STREET OR SMoCA HAVE SETTLED. WATER IS SEEPING THROUGH AND SOME OF THE BEARING PADS WHERE PARTS OF THE STRUCTURE REST ON EACH OTHER ARE WORN OUT OVER THE 20 AND 30 YEARS OF THESE. OF COURSE, I HAVE THE REQUISITE PICTURES TO DEMONSTRATE SOME OF THE ISSUES THAT WE HAVE. WHEN I MENTIONED FAULT CONCRETE WHERE CONCRETE IS BROKEN OFF, YOU'LL SEE THIS IN SUPPORTING COLUMNS. THE SECOND PICTURE IS WHAT'S CALLED THE BEARING PAD. OVER TIME THESE STRUCTURES ARE ACTUALLY MADE TO MOVE AND FLEX AND AS THEY DO THAT, WHERE THE STRUCTURES COME TOGETHER, THE PARTS CAN SOMETIMES MOVE APART AND THAT'S HAPPENED HERE. CRACKED BEAM NEEDS TO BE REPAIRED OF THE SMoCA OR SECOND STREET PARKING GARAGE, THIS IS ANOTHER EXAMPLE WHERE YOU SEE WHAT WE CALL FAULT CONCRETE WHICH IS CHIPPED OR BROKEN OFF CONCRETE. SECOND PICTURE DEMONSTRATES AREAS OF THE TOP DECK OF PARKING, WHICH HAS ACTUALLY SETTLED SEVERAL INCHES FROM THE ORIGINAL POSITION. IF YOU LOOK AT THIS PICTURE, THIS KIND OF GIVES YOU AN EXAMPLE. YOU SEE THE TWO RED LINES. THE BOTTOM RED LINE SHOULD BE WHERE THE TOP RED LINE IS. THAT'S A SETTLEMENT OF ABOUT THREE INCHES IN THE STRUCTURE. ANOTHER AREA WHERE THE CONCRETE IS BADLY BROKEN AND AFFECTING SUPPORT. SO WHEN WE DISCUSSED THESE ISSUES WITH THESE GARAGES, WE HAD A STRUCTURE ENGINEER EXAMINE BOTH AND DO A DETAILED ESTIMATE AND I'VE GOT TO GIVE YOU A LITTLE CAVEAT HERE OF THE ESTIMATES FOR THE PARKING. FROM THE STRUCTURAL ENGINEER TO MAKE 100% OF ALL THE REPAIRS HE BELIEVED NEEDED TO BE DONE WITH NEARLY \$2.4 MILLION. THE STAFF LOOKED AT THIS. WE ONLY WANTED TO BE FOCUSING ON THE MOST URGENT ISSUES THAT ARE CRITICAL. IF YOU'VE BEEN OVER TO THE SMoCA GARAGE, EXCUSE ME, YOU NOTICED ABOUT 40% OF THE PARKING SPACES ARE ACTUALLY BLOCKED OFF WHERE WE DON'T WANT VEHICLES TO TRAVEL. THE ESTIMATE FOR REPAIRS WE BELIEVE ARE MOST CRITICAL ARE \$1.6 MILLION AND ANOTHER \$150,000 OF ADDITIONAL CONTINGENCY ADMINISTRATION THAT GOES WITH THAT. A REQUEST TONIGHT IS A GENERAL FUND OPERATING CONTINGENCY TRANSFER OF \$1.75 MILLION TO THE FACILITIES REPAIR MAINTENANCE OPERATING BUDGET. THE ACTUAL ACTION IS DEMONSTRATED HERE. SO WITH THAT, MAYOR LANE, MEMBERS OF COUNCIL, BE GLAD TO ANSWER ANY QUESTIONS YOU HAVE.

Mayor Lane: THANK YOU, MR. EARLE. I DON'T SEE THAT THERE'S ANY QUESTIONS AT THIS POINT IN TIME. WE DO, OKAY, I'M SORRY, COUNCILMAN PHILLIPS.

[Time: 00:14:50]

Councilmember Phillips: THANK YOU, MAYOR. MR. EARLE, I HAD A COUPLE OF QUESTIONS. ONE, I WAS WONDERING, WHEN YOU LOOK AT THE PICTURES, THESE THINGS, THESE PARKING GARAGES, 34 YEARS OLD, IT DOESN'T LOOK LIKE THIS HAPPENED OVERNIGHT, SO I'M WONDERING DO WE HAVE SOMEONE THAT INSPECTS THEM YEARLY OR EVERY TEN YEARS OR, YOU KNOW?

Derek Earle: MAYOR, COUNCILMAN PHILLIPS, UP UNTIL NOW WE DIDN'T HAVE A FORMAL INSPECTION PROGRAM. WE DID HAVE AESTHETICS UPGRADES AND LAST YEAR WE NOTICED SOME OF THE ISSUES

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WITH THE CIVIC CENTER, LIBRARY PARKING GARAGE AND THAT LED US TO DO THE INSPECTION ON THE 2ND STREET GARAGE OR SMOCA GARAGE. WE'VE GONE TO WHAT ARE CALLED PCI MANUAL TO LOOK FOR RECOMMENDATIONS FOR FUTURE INSPECTIONS AND WE'RE GOING TO BE IMPLEMENTING SIGNIFICANT INSPECTION PROGRAM ON ALL OF THE CITY'S STRUCTURAL GARAGES. WE HAVE AT LEAST A HALF DOZEN PARKING GARAGES.

Councilmember Phillips: THAT'S WHAT I WAS HOPING BECAUSE IT SEEMS LIKE YOU COULD HAVE CAUGHT SOME OF THESE EARLIER WHEN IT ADDED UP TO SO MUCH NOW. LOOKS LIKE MOST OF THEM WERE FROM WATER DAMAGE.

Derek Earle: ABSOLUTELY CORRECT.

Councilmember Phillips: FROM 40 YEARS OF WATER RUNNING DOWN THE SIDE OF THE THING. AND THE OTHER THING I NOTICED THERE ON THE ONE PARKING GARAGE, WAS CONSTRUCTION WAS BETWEEN NOVEMBER AND FEBRUARY. IS IT THAT SERIOUS THAT IT HAS TO BE DONE THEN? BECAUSE THAT'S PRETTY MUCH OUR BUSY TIME AND WE NEED THE PARKING.

Derek Earle: ACTUALLY, THERE ARE TWO THINGS. IT'S A HIGHLY SPECIALIZED CONSTRUCTION PROCESS BECAUSE THIS IS NOT ABOUT JUST FIXING THEM LIKE WE FIX EVERYTHING ELSE AND REPAINTING THEM. THESE ARE HIGHLY SPECIALIZED FOR REFORMING THE CONCRETE. AND SO BECAUSE OF THAT, WE'RE TRYING TO BE CAUTIOUS TO BE SURE WE'VE GOT A CONTRACTOR THAT CAN TAKE CARE OF BOTH GARAGES. HE MAY NOT BE ABLE TO DO THEM SIMULTANEOUSLY. WE FOCUSED ON 2ND STREET INITIALLY, SMOCA GARAGE, BECAUSE, NUMBER ONE, YOU HAVE SHOWS STARTING AT SCPA. IMMEDIATELY, THOSE ARE IN PLACE RIGHT NOW AND PLUS WE'VE GOT PROBABLY SOME OF THE BIGGEST STRUCTURAL ISSUES. CIVIC CENTER LIBRARY IS MORE GEARED TOWARDS OPENING THE GARAGE AND HAVING IT COMPLETED BEFORE SPRING TRAINING.

[Time: 00:15:59]

Councilmember Phillips: SO YOU'RE GOING TO GET RIGHT ON THE SEPTEMBER AND NOVEMBER? IS THE OTHER ONE THAT CRITICAL THAT IT COULDN'T WAIT UNTIL SUMMER.

Derek Earle: MAYOR, COUNCILMAN PHILLIPS, WHAT WE HAVE DONE IS THIS WITH BUDGET TRANSFER REQUEST, WE HAVE IDENTIFIED INVENTORY POTENTIALLY OF \$2.4 TO \$2.5 MILLION OF REPAIRS. AS WE GO FORWARD, THE STRUCTURE ENGINEER WHO IS DEVELOPING THE PLAN AS WE SPEAK TO RETURN WHAT WE THINK ARE THE MOST CRITICAL AND WHAT COULD BE DEFERRED. WHAT YOU SEE COMING UP IN THIS BUDGET CYCLE IS VERY SPECIFIC REQUESTS FROM FACILITIES MAINTENANCE FOR ADDITIONAL ALLOCATIONS FOR THESE REPAIRS FOR THE BALANCE OF THE REPAIRS WE CAN'T GET DONE IMMEDIATELY.

Councilmember Phillips: OKAY. AND ALONG THAT LINE, YOU WOULD FIGURE OUT WHICH ONES ARE MOST CRITICAL AND NEED TO BE DONE NOW? FIGURE OUT HOW MUCH THAT IS AND COME TO COUNCIL FOR THAT? OR IS THIS USUAL TO ASK FOR THE ENTIRE AMOUNT AND THEN WAIT UNTIL LATER AND SEE WHAT IT COMES OUT TO?

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Derek Earle: MAYOR LANE, COUNCILMAN PHILLIPS, THAT'S A GREAT QUESTION. IF WE WOULD HAVE ASKED FOR THE 100% OF THE REPAIRS, WE WOULD HAVE ASKED FOR \$2.5 MILLION TONIGHT. THIS THE STAFF'S BEST OPINION BASED ON THE FACT WE HAVE IN-HOUSE ENGINEERS, MYSELF INCLUDED, A DESIGN ENGINEER, THIS IS OUR BEST ESTIMATE OF REVIEWING THE STRUCTURAL ENGINEER'S PRELIMINARY REPORT ON THE MOST CRITICAL REPAIRS. THERE'S A LOT OF THINGS THAT WOULDN'T BE DONE WITH THIS. FOR EXAMPLE, FIXING SOME OF THE WATER LEAKS, WE WOULD PUT THAT OFF AND DEFER THAT AND GET THAT IN A PLANNED BUDGET RATHER THAN CALL IT CRITICAL REPAIR.

Councilmember Phillips: OKAY. SO THE \$1.7 MILLION, IS THAT GOING TO GO INTO A SPECIAL FIX THE GARAGE FUND OR HOW DOES THAT WORK?

Derek Earle: MAYOR, COUNCILMAN PHILLIPS, THAT IS COMING OUT OF THE CITY'S OPERATING CONTINGENCY, SO THIS IS A PRETTY SIGNIFICANT PIECE COMING OUT.

Councilmember Phillips: WHERE IS IT GOING?

Derek Earle: IT WOULD BE TRANSFERRED INTO THE FACILITIES MAINTENANCE BUDGET.

Councilmember Phillips: THAT'S LIKE A GENERAL FACILITIES MAINTENANCE BUDGET?

Derek Earle: THAT'S CORRECT.

Councilmember Phillips: BUT THESE ARE EARMARKED FOR THIS?

Derek Earle: YES.

Councilmember Phillips: OKAY. THANK YOU.

[Time: 00:19:25]

Mayor Lane: THANK YOU, COUNCILMAN. MR. EARLE, AS A MATTER OF SORT OF MAYBE FOLLOW-UP COMMENT WITH REGARD TO THE KINDS OF INSPECTIONS AND/OR THE KINDS OF ROUTINE MAINTENANCE WE MAINTAIN ON SOME OF THESE STRUCTURES, HAS ANY OF THIS BEEN DEFERRED BECAUSE OF SOME OF THE BUDGET CONSTRAINTS?

Derek Earle: I THINK, MAYOR, THAT WHEN THE RESOURCES HAVE BEEN STRETCHED AS THIN AS THEY HAVE THROUGH OUR FACILITIES MAINTENANCE DEPARTMENT OVER THE LAST FIVE YEARS OR SO, THAT WE HAVEN'T BEEN ABLE TO FOCUS ON WHAT WE THINK ARE THE HIGHEST PRIORITY, WELL, EXCUSE ME, I DON'T WANT TO SAY THE HIGHEST PRIORITY ISSUES. WE HAVEN'T BEEN ABLE TO FOCUS ON A ROUTINE MAINTENANCE AND INSPECTIONS. WE'VE HAD TO FOCUS ON THE HIGH PRIORITY THINGS. WHAT'S BROKEN, WHAT'S LEAKING, WHAT DO WE HAVE TO FIX TODAY. SO A LOT OF THE INSPECTION PROGRAM HAS BEEN STRETCHED VERY THIN AS A RESULT OF THE BUDGET CUTBACKS.

Mayor Lane: SO IN THIS PARTICULAR CASE, WE'RE USING THE CONTINGENCY FUNDS. A COUPLE YEARS AGO WE ENDED UP USING SOME OF THE BANK BALANCE, IF YOU WILL, THE UNALLOCATED RESERVE FOR IMMEDIATE ITEMS OF SOMEWHAT OF A FIXED ASSET IMPROVEMENT ON IT BUT SOME OF THAT



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WAS COSMETIC AND SOME OF IT WAS STRUCTURAL. BUT UNDOUBTEDLY THIS DIDN'T COME UP AT THAT TIME.

Derek Earle: THAT'S CORRECT.

Mayor Lane: THANK YOU, MR. EARLE. COUNCILMAN ROBBINS?

[Time: 00:20:49]

Councilman Robbins: DEREK, HOW LONG WILL THESE REPAIRS LAST?

Derek Earle: WE ANTICIPATE STARTING THE 2ND STREET/SMOCA GARAGE IMMEDIATELY UPON COUNCIL APPROVAL. THAT WILL TAKE ABOUT 60 DAYS. WE WILL PHASE IN THE, EXCUSE ME, THE CIVIC CENTER PARKING GARAGE STARTING ABOUT NOVEMBER AND HAVE THAT COMPLETE BY FEBRUARY, WHICH IS CRITICAL FOR SPRING TRAINING.

Councilman Robbins: LET ME REPHRASE. ONCE THE REPAIRS ARE MADE, HOW LONG WILL THEY LAST?

Derek Earle: THAT'S AN INTERESTING QUESTION. ACTUALLY I HADN'T ANTICIPATED THAT QUESTION COMING UP. THESE ARE PART OF WHAT SHOULD BE A PART OF AN ONGOING MAINTENANCE PROGRAM. THERE'S NO REASON THE PARKING GARAGES THEMSELVES CAN'T LAST INDEFINITELY IF THEY'RE PROPERLY MAINTAINED. WE WILL HAVE TO MAKE AN ADDITIONAL INVESTMENT IN THESE GARAGES OVER THE NEXT YEAR OR SO, BUT UPON THAT, AS LONG AS WE'RE DOING REGULAR ROUTINE MAINTENANCE INSPECTIONS, ET CETERA, THERE'S NO REASON EXCEPT FOR OBSOLESCENCE, THAT THEY COULDN'T LAST INDEFINITELY.

Councilman Robbins: ARE THESE ROUTINE-TYPE OF FIXES THAT WOULD HAVE TO BE DONE OVER TIME ANYWAY? IS THIS SOMETHING THAT HAPPENS TO PARKING GARAGES OR IS IT SOMETHING WE JUST MISSED?

Derek Earle: THIS DOES HAPPEN TO THE PARKING GARAGES MORE OFTEN THAN I WOULD THINK WE THINK. ACTUALLY, SCOTTSDALE HEALTH CARE JUST MADE SOME SIGNIFICANT REPAIRS TO THEIR PARKING GARAGE DOWNTOWN OF A SIMILAR NATURE.

Councilman Robbins: THEN ARE WE USING ONE CONTRACTOR FOR THE REPAIRS ON BOTH GARAGES?

Derek Earle: WE'RE USING OUR JOB ORDER CONTRACT WHICH IS BASICALLY A QUALIFICATIONS-BASED CONTRACT AVAILABLE FOR THIS TYPE OF APPLICATION.

Councilman Robbins: THEN CAN YOU TALK ABOUT THE LOW PRIORITY REPAIRS, THE ONES WE'RE NOT MAKING? WHAT ARE WE NOT DOING RIGHT NOW WE'RE GOING TO BE LOOKING TO DO IN THE FUTURE.

[Time: 00:22:36]

Derek Earle: A VAST MAJORITY OF WHAT I CALL THE LOWER PRIORITY AND I THINK IT'S REALLY MORE TERMINOLOGY, WHAT I CALL LESS URGENT OR LESS CRITICAL, WE BELIEVE THEY'RE STILL IMPORTANT. THEY'RE NOT CRITICAL TODAY. FOR EXAMPLE, APPLYING WATERPROOFING TO SOME OF THE TOP DECKS, CLOSING UP SOME OF THE OPENINGS AS COUNCILMAN PHILLIPS POINTED OUT WHERE WATER FILTRATES DOWN INTO THE STRUCTURE AND HELPS DETERIORATE THAT. A COUPLE OF EXPANSION JOINTS NEED TO BE FIXED BUT THEY'RE NOT CRITICAL TO BE FIXED TODAY TO KEEP THE BUILDING IN OPERATION. A LOT OF CRACKING IN CONCRETE, SOME OF THE CONCRETE PIECES, PLUS I TALKED ABOUT BEARING PADS, WE ARE LOOKING AT REPLACING ABOUT HALF OF THEM. THE OTHER HALF NEED TO BE DONE AS WELL.

Councilman Robbins: THEN LAST YOU SAY YOU'RE ASKING FOR THIS TO COME OUT OF THE OPERATING CONTINGENCY? WE HAVE A CAPITAL CONTINGENCY, WHY WOULDN'T IT COME OUT OF THAT?

[Time: 00:23:31]

Derek Earle: THIS WAS AS MUCH A CALL ON THE SOURCE OF THIS BEING AN OPERATION AND MAINTENANCE ACCOUNT. THIS IS BEING REALLY MORE ALONG THE LINES OF OPERATION AND MAINTENANCE RATHER THAN CAPITAL INVESTMENTS. WE COULD ARGUE, PERHAPS, THAT WE'RE EXTENDING THE LIFE OF THESE STRUCTURES BY MAKING THESE REPAIRS WHICH MIGHT QUALIFY FOR THE CAPITAL BUT AGAIN ON THE GENERAL FUND CAPITAL SIDE, THAT IS NOT NECESSARILY BACKED BY CASH. THAT'S OVER A FIVE-YEAR PROJECTION. WE ARE STILL RUNNING A DEFICIT. THE OPERATING CONTINGENCY IS CASH. THAT IS RESERVED SPECIFICALLY FOR THE USE OF, TO QUOTE A FORMER CITY TREASURER, FOR THINGS THAT GO BUMP IN THE NIGHT AND THIS WENT BUMP IN THE NIGHT.

Councilman Robbins: THANK YOU.

Mayor Lane: THANK YOU, COUNCILMAN AND THANK YOU AGAIN, MR. EARLE. I DON'T BELIEVE THERE'S ANY OTHER QUESTIONS, SO WE'LL GO AHEAD AND PROCEED. I'LL REQUEST SOMEONE HAS THAT MOTION TO APPROVE ON THIS ITEM.

Councilman Robbins: I'LL MAKE A MOTION THAT WE, CITY COUNCIL, APPROVE ITEM NO. 10, WHICH IS THE GENERAL FUND CONTINGENCY TRANSFER FOR PARKING GARAGE REPAIR.

Councilwoman Milhaven: SECOND.

Mayor Lane: MOTION MADE AND SECONDED. SEEING THERE'S NO OTHER COMMENTS, WE'RE READY TO VOTE. ALL THOSE IN FAVOR PLEASE INDICATE BY AYE AND THOSE OPPOSED WITH A NAY. MOTION PASSES UNANIMOUSLY. THANKS AGAIN, MR. EARLE.

**ITEM 11 – BELLEVIEW PROPERTY IMPROVEMENTS GENERAL FUND CAPITAL CONTINGENCY BUDGET TRANSFER**

[Time: 00:25:09]

Mayor Lane: MOVE ON TO THE NEXT ITEM OF BUSINESS, WHICH IS THE ITEM 11, WHICH WAS ON CONSENT AND IT IS THE BELLEVIEW PROPERTY IMPROVEMENT GENERAL FUND CONTINGENCY BUDGET

TRANSFER IN THE AMOUNT OF \$800,000 TO EXISTING CIP PROJECT, THE BELLEVIEW PROPERTY CONSTRUCTION. MR. MURPHY, READY TO GO?

[Time: 00:25:45]

Community Services Executive Director Bill Murphy: YES, SIR. THANK YOU, MAYOR, MEMBERS OF THE COUNCIL. AS YOU JUST MENTIONED WE'RE HERE TO REQUEST ADOPTION OF RESOLUTION 9524 TO TRANSFER \$800,000 FOR THE BELLEVIEW PROPERTY IMPROVEMENTS. THE CITY OF SCOTTSDALE PARTICIPATED IN THE ADMINISTRATION OF THE PROGRAMS FOR THE LAST 38 YEARS. THE CDBG PROGRAM IS ADMINISTERED BY THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT. ITS ACTIVITIES MUST MEET ONE OF THREE NATIONAL OBJECTIVES. A BENEFIT TO LOW AND MODERATE INCOME PROPERTIES, ELIMINATION OF SLUM OR BLIGHT, AND MEET AN URGENT COMMUNITY NEED. THE EXPENDITURES ARE ALSO LIMITED TO FIVE CATEGORIES: PUBLIC SERVICES, HOUSING ACTIVITIES, PUBLIC FACILITIES, ECONOMIC DEVELOPMENT AND PROGRAM ADMINISTRATION. AND FINALLY, 70% OF THE CDBG FUNDS MUST BENEFIT LOW- AND MODERATE-INCOME HOUSEHOLDS AND THEY MUST BE CONSISTENT WITH THE CONSOLIDATED PLAN WHICH THE HUMAN SERVICES DIVISION HAS EMBARKED ON. THIS IS A MAP THAT DEPICTS WHERE THE PROPERTIES ARE. SCOTTSDALE ROAD RUNS NORTH AND SOUTH HERE; BELLEVIEW, THIS IS ON THE NORTH SIDE OF THE BELLEVIEW PROPERTIES. AGAIN, THE ADDRESS IS THERE 7220 AND 7224. COMMUNITY SERVICES OF Arizona IS A NON-PROFIT ORGANIZATION THAT RECEIVED CDBG FUNDS IN 2006 AND 2007 FOR THE ACQUISITION AND REHABILITATION OF THESE PROPERTIES PROVIDE HOUSING OPPORTUNITIES TO LOW- AND MODERATE-INCOME PERSONS. BECAUSE OF THE ECONOMIC DOWNTURN, CSA WAS UNABLE TO MOVE FORWARD WITH THIS PROJECT. CSA FAILED TO MAKE PAYMENT ON THEIR FIRST PLACE LOAN AND PROPERTIES WERE SOLD AT A TRUSTEES SALE TO THE HOLDER OF THE NOTE WHO WAS SUPERIOR TO THE CITY OF SCOTTSDALE. THE CITY WAS IN SECOND KEY POSITION ON THOSE.

[Time: 00:27:52]

IN FEBRUARY OF THIS YEAR, COUNCIL PROVIDED RESOLUTION 9346 FOR US TO MOVE FORWARD TO PURCHASE THESE PROPERTIES. THE CITY BEGAN NEGOTIATIONS WITH THE PROPERTY LANDOWNER TO DISCUSS, AND THEY WERE UNPRODUCTIVE. IN TURN, THE OWNER WHO PURCHASED THE PROPERTIES IN FEBRUARY AGREED TO SELL THEM FOR AN AMOUNT APPROXIMATELY EQUAL TO WHAT WAS PAID, INCLUDING TRANSACTION FEES. IN APRIL, THE COUNCIL APPROVED RESOLUTION 9390 FOR THE ACQUISITION OF THE BELLEVIEW PROPERTIES WHICH WAS \$275,000. ONCE THE CITY HAD OWNERSHIP OF THESE PROPERTIES, WE BEGAN SOME INTERNAL EVALUATION WITH OUR INTERDEPARTMENTAL STAFF FROM CAPITAL PROJECTS, AND OTHERS IN THE BUILDING AREA OF PLANNING. ON JULY 1 WE CAME BACK TO THE COUNCIL TO ASK YOU FOR \$150,000. THAT WAS FOR US TO HAVE AN INITIAL TRANSFER FOR THE EXPIRATION OF THE BUILDING. STRUCTURES INCLUDING HAZARDOUS MATERIAL TESTING, THE STRUCTURAL INVESTIGATION AND COMPLETION OF REHABILITATION DESIGN. SINCE JULY 1<sup>ST</sup>, THE CITY HAS COMPLETED THE ENVIRONMENTAL INVESTIGATION AND THE STRUCTURAL INVESTIGATION AND IS WORKING STILL ON THE DESIGN. IN THE MEANTIME, WE HAVE BEGUN AN RFP PROCESS WITHIN OUR DIVISION TO LOOK FOR A NONPROFIT GROUP TO MANAGE THESE PROPERTIES ONCE THIS IS COMPLETED AND WE HAVE THE BUILDINGS COMPLETED. SO THE RESULTS OF THE INVESTIGATION HAS CONFIRMED THAT WE HAVE ASBESTOS. THE CITY HAS CONTRACTED FOR THE REMOVAL OF THOSE MATERIALS AND MONITORED THAT WORK AND IT IS COMPLETED. IN ORDER FOR US TO PROVIDE ADA ACCESSIBLE UNITS, WHICH WE ARE REQUIRED TO ON EACH OF THESE, THE

INTERIOR LOAD-BEARING WALLS NEED TO BE RELOCATED. THE WIRING SYSTEM NEEDED TO BE REPLACED AND THE EXISTING MASONRY BLOCK NEEDED TO BE MODIFIED AND INFILLED. THE STRUCTURAL INVESTIGATION REVEALED THAT THE ROOF TRUSSES WOULD NOT SUPPORT ANY ADDITIONAL LOADING AS PROPOSED IN THE FORM OF SPRINKLERS OR HVAC SYSTEMS TO MEET THE CURRENT BUILDING CODES. AND AGAIN THE MASONRY WALLS LACKED IN REINFORCEMENT. SO BASED ON THE COSTS AND THE EXTENT OF THE RENOVATION, THE MOST COST-EFFECTIVE AND EFFICIENT METHOD WOULD BE TO LEVEL THE EXISTING STRUCTURES AND REBUILD FROM THE FOUNDATION. THE RECONSTRUCTION WOULD THEN PROVIDE NEW, CLEAN AND EFFICIENT STRUCTURES AND PROVIDE AGAIN OUR MAIN GOAL WHICH IS LOW-INCOME AFFORDABLE HOUSING. THE REQUEST WE HAVE TONIGHT FOR YOU IS THE GENERAL BUDGET TRANSFER FOR YOUR CONSIDERATION TO FUND THE BALANCE OF THE CONSTRUCTION OF TWO NEW BUILDINGS. THESE TWO NEW BUILDINGS WILL THEN BE COMPLIANT WITH ALL FEDERAL, STATE, AND LOCAL REGULATIONS. THIS ALSO WILL MEET THE CRITERIA WHICH WE HAVE BEEN NOTIFIED BY HUD IN THE COURSE OF A FINDING THAT WE NEEDED TO HAVE THESE COMPLETED BY MARCH 2014. THE RESOLUTION IS TO AUTHORIZE THE FISCAL 2013-2014 GENERAL FUND CAPITAL CONTINGENCY BUDGET TRANSFER IN THE AMOUNT OF \$800,000 TO THE BELLEVIEW PROPERTY IMPROVEMENTS. IF THE RESOLUTION IS APPROVED, CAPITAL MANAGEMENT STAFF WILL AUTHORIZE CONTRACTS IN ORDER TO COMPLETE THE DESIGN AND CONSTRUCTION OF THE TWO BUILDINGS. THE CPM STAFF EXPECTS CONSTRUCTION TO BE READY AND COMPLETED TO START IN THE FIRST PORTION OF OCTOBER AND THE CONSTRUCTION WILL BEGIN IMMEDIATELY AFTER THAT. WE NEED TO HAVE THESE COMPLETED AND OCCUPIED BY MARCH IN 2014. THAT CONCLUDES MY REPORT.

Mayor Lane: THANK YOU MR. MURPHY. I ACTUALLY ASKED TO HAVE THIS PUT ON THE REGULAR AGENDA BECAUSE OF A COUPLE OF THINGS, THE HISTORY THAT HAS DEVELOPED. ONE OF THE QUESTIONS WHEN WE DISCUSSED THIS EARLIER, IS HOW MUCH IN THE WAY OF TAXPAYER FUNDS HAVE BEEN PUT INTO THESE PROPERTIES, IN THE WAY OF CDBG FEDERAL FUNDS, STATE FUNDS AND CITY FUNDS AND THE MATCHING OF WHEN THAT WAS ORIGINALLY PURCHASED. AND THEN OF COURSE WE PURCHASED IT FOR SOME \$225,000?

[Time: 00:32:43]

Bill Murphy: \$275,000 AND CLOSING COSTS.

Mayor Lane: \$275,000. AND THE REHAB OF \$150,000 AND NOW CONTEMPLATING \$800,000 WHICH IS PROBABLY JUST A CONSTRUCTION ESTIMATE. I APPRECIATE WHERE THAT COMES FROM AND WHY. OUR EXPOSURE IF WE HAD LET CSA SELL THIS PROPERTY WITHOUT THE STIPULATION OF COMPLIANCE WITH THE CDBG FUNDS AND THE QUALIFYING FACTORS FOR THE PROPERTY. I THINK IT WAS GOING TO BE SOMETHING LIKE \$825,000. WAS IT NOT?

Bill Murphy: THAT'S CORRECT, MAYOR.

Mayor Lane: AND SO IF I JUST DID SOME ROUGH MATH ON THIS NOT REALLY KNOWING WHAT THE ORIGINAL CDBG FUNDS WHICH ARE TAXPAYER FUNDS GOING INTO IT, AND STATE FUNDS AND OF COURSE THE CITY'S FUNDS, I CAN ONLY ASSUME IT'S SOMEWHERE IN THE SAME RANGE OF THE \$275,000 THAT WE PAID FOR, PROBABLY A BIT MORE BECAUSE OF THE TIME THAT IT WAS PURCHASED, IF I WERE ROUNDING THAT UP TO \$300,000. I WOULD BE TALKING ABOUT NEARLY \$600,000, \$750,000 AND THE \$800,000 ON TOP OF THAT. WE'RE TALKING ABOUT SOMEWHERE IN THE AREA OF \$1.6

MILLION. MAYBE LESS THAN THAT. AND MY CONCERN IS, I REALIZE THIS IS IN HINDSIGHT SO I APPRECIATE WHERE WE WENT AND WHERE WE WENT AS A COUNCIL TRYING TO AVOID THE LACK OF STIPULATION. AND \$800,000 POSSIBLE AT A MINIMUM. I'M NOT TRYING TO QUESTION THAT TOO VERY MUCH. SOMETIMES THAT IS THE WAY IT GOES HERE. ANOTHER \$800,000 GOING INTO IT. WHETHER OR NOT, AND THEN WITH THE STIPULATION, AND I REALIZE IN OUR CONVERSATIONS WE TALKED A LITTLE BIT ABOUT WHERE WE ARE, HERE WE SIT ENTERING CLOSE TO OCTOBER WHERE WE WOULD DO THIS REFURB WORK, CONTRACT FOR SOMEBODY TO DO IT, DESIGN IT AND REDO IT AND HAVE IT COMPLETED AND OCCUPIED BY MARCH. AND WE DID TALK ABOUT THE FACT THAT SOMEBODY WOULD GIVE US SOME SLACK ON THAT DATE. BUT NEVERTHELESS WE STILL HAVE THAT EXPOSURE ON THE \$825,000 IF WE DON'T MAKE IT TO THAT POINT. IT'S A TOUGH CALL AND I AM SYMPATHETIC TO THAT. WE ARE GOING DOWN A TOUGH ROAD WITH THIS AND NOW WE ARE TALKING ABOUT AT LEAST \$800,000 COMING OUT OF A CONTINGENCY FUND AS WELL AT A TIME WHEN WE'RE FACED WITH A LOT OF OTHER THINGS THAT ARE GOING ON AS WELL. LET ME ASK YOU THIS, GIVEN THAT INVESTMENT, IF I AM EVEN REMOTELY CLOSE TO THIS AND WE WERE ABLE TO RETAIN THE LACK OF ANY KIND OF PENALTY FROM THE CDBG FUNDS, THE FEDS ON THIS. COULD WE RECOVER? WHAT DO WE THINK WE COULD RECOVER ON THE SALE OF THIS PROPERTY OR FRANKLY A PRODUCTIVE LEASE, BUT NEVERTHELESS I WOULD SAY A MARKET SALE. COULD WE HAVE ANY IDEA?

Bill Murphy: COUNCILMEMBERS, I DON'T HAVE THAT INFORMATION. I AM ASSUMING THAT SINCE WE HAVE PURCHASED THE PROPERTIES FOR \$275,000 THAT THE NUMBER TO SELL THEM AS IS TODAY WOULD PROBABLY BE SOMEWHERE IN THAT RANGE.

[Time: 00:36:09]

Mayor Lane: RANGE OF THE TOTAL.

Bill Murphy: NOT OF THE TOTAL AMOUNT BUT SIMILAR TO WHAT WE ACTUALLY PAID WHEN WE PURCHASED IT FROM THE PREVIOUS OWNER. ONE CLARIFICATION I WANTED TO MAKE IS THE CDBG FUNDS THAT INITIALLY IN 2006-2007 THAT WERE PROVIDED FOR THESE TWO PROPERTIES CAME THROUGH THE FEDERAL CDBG PROGRAM SO THEY WERE GRANT FUNDED TO DO THE ACQUISITION TO REHABILITATION FOR THAT.

Mayor Lane: ACTUALLY, WHEN WE WERE TALKING ABOUT THAT PENALTY FOR NOT THE PROPER USE OF IT, THAT ESSENTIALLY IS A RETURN OF THOSE FUNDS, IS IT NOT?

Bill Murphy: THAT'S CORRECT.

Mayor Lane: I MIGHT HAVE HAD, AND YOU ARE FREE TO CORRECT ME ON THIS, THE AMOUNT THAT MIGHT BE ALLOTTED TO THESE TWO PARCELS MAY NOT BE THE \$825,000. PROBABLY SOMETHING LESS THAN THAT.

Bill Murphy: MAYOR, MEMBERS OF COUNCIL, IT ACTUALLY IS \$825,000 FOR THESE TWO PARCELS.

Mayor Lane: SO WITH A TOTAL COMMITMENT NOW OF \$1.5 OR \$6 INTO THIS. AND I REALIZE THESE ARE FEDERAL GRANT FUNDS, BUT THERE ARE STILL INVESTMENTS IN THIS PROPERTY. THE CITY HAD

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SOME MATCHING FUNDS WITH THE GRANT FUNDS, AND OF COURSE WHAT WE HAVE DONE TO THIS POINT IN TIME. WHAT WE MIGHT BE ABLE TO GET SOMETHING SIMILAR TO WHAT WE PAID FOR IT?.

Bill Murphy: WELL, AGAIN, I'M NOT THE REAL ESTATE PROFESSIONAL IN THE ORGANIZATION SO I WOULD KIND OF YIELD THAT TO DAN'S ASSET MANAGEMENT GROUP TO GIVE US THAT ANSWER.

Mayor Lane: I WOULD ONLY SUGGEST, AND REALLY I KNOW TIME IS OF THE ESSENCE HERE AS FAR AS THE PENALTY AND TRYING TO GET IT BUILT AND OCCUPIED WITH THE STIPULATIONS THAT IT'S QUALIFYING FOR CDBG FUNDS. IT WOULD BE NICE IF WE HAD SOME HANDLE ON WHAT THIS WOULD ULTIMATELY WOULD MEAN GETTING BACK TO US AND WHETHER THE EXPOSURE. \$825,000 IS A TON OF MONEY BUT SO WOULD BE SPENDING IT ON A PROJECT THAT MIGHT EVEN BE MORE. I'M GOING TO LEAVE IT AT THAT FOR RIGHT NOW. THERE ARE A COUPLE OF OTHER COMMENTS.

I'LL TELL YOU WHAT, I JUST NOTED, WE HAVE ONE PUBLIC TESTIMONY ON THIS. MR. LITTLEFIELD AND PHILLIPS, IF YOU DON'T MIND WE'LL GO AHEAD WITH THAT FIRST. AND THAT'S JUST ONE. THANK YOU VERY MUCH. NANCY CANTOR.

[Time: 00:38:40]

Nancy Cantor: NANCY CANTOR. MY INFORMATION IS ON RECORD. WHEREFORE BELLEVIEW GOES, SO GOES NANCY. SINCE I HAVE BEEN INVOLVED WITH THIS SINCE 2006, THANK YOU FOR ASKING THOSE QUESTIONS. THEY'RE IMPORTANT. I AM HAPPY THAT WE'RE NOT DOING A REHAB. WE ARE GOING TO DO A REBUILD. I HAVE BEEN IN THOSE BUILDINGS, AND I DON'T WANT TO BE IN THOSE BUILDINGS. I WOULDN'T WANT ANYONE TO LIVE THERE. I APPRECIATE THE EFFORT ON THAT. ONE THING THAT WE WOULD LIKE TO ASK IS THE NEIGHBORHOOD ADVISORY COMMISSION BE INCLUDED AS THE PROJECT GOES FORWARD. A LOT OF TIMES THESE THINGS GO TO THE PLANNING COMMISSION AND HOUSING AND NEIGHBORHOODS DON'T GET TO HEAR ALL FACTS. AND THEY REALLY NEED TO. THE NEIGHBORHOOD IS ASKING QUESTIONS AND THEY DON'T UNDERSTAND WHAT'S GOING ON. THE NEIGHBORHOOD OUTREACH WHETHER IT'S BY THE CITY OR POTENTIAL PARTNER, THAT'S CRITICAL TOO. SO PLEASE KEEP ASKING THE QUESTIONS. THAT'S VERY, VERY IMPORTANT AND I DO HOPE WE CAN GET A PARTNER THAT UNDERSTANDS THE NEED FOR QUALITY LOW AND MODERATE INCOME HOUSING. THANK YOU.

Mayor Lane: THANK YOU. COUNCILMAN LITTLEFIELD.

Councilman Littlefield: YEAH, MR. MURPHY, I HAVE MORE QUESTIONS. THE REASON THE PENALTY AMOUNT IS \$825,000 IS BECAUSE THAT WAS THE ORIGINAL AMOUNT OF THE GRANT THE FEDERAL GOVERNMENT PASSED THROUGH. THEY GAVE US \$825,000. IT WASN'T SUPPOSED TO COST THE CITY ANY MONEY. NOW, IF WE DON'T REHAB THAT, WE HAVE TO PAY \$825,000 BACK. OBVIOUSLY CSA IS NOT GOING TO PAY THAT BACK. WE HAVE TO. WE COULD PROBABLY SELL THE LAND FOR \$275,000 ROUGHLY. WE COULD GET IT DOWN TO HALF A MILLION ON THE PENALTY. WHY WOULDN'T WE JUST PAY THE PENALTY AND GET OUT FROM UNDER THIS RATHER THAN STAY IN THE BUSINESS BECAUSE IF WE BUILD, REBUILD THIS HOUSING, WE'RE STUCK WITH THIS FOR ANOTHER FIVE YEARS. WE'RE NOT GOING TO GET ANY REVENUE OFF OF IT AND WE HAVE NO IDEA WHAT WE'RE GOING TO SELL IT FOR AFTER FIVE YEARS. WHY WOULDN'T WE JUST PAY THE PENALTY, SELL THE LAND TO GET BACK SOME OF IT AND GET OUT FROM UNDER THIS?

Bill Murphy: MAYOR LANE, COUNCILMAN LITTLEFIELD. THAT'S CERTAINLY AN OPTION THAT COULD BE CONSIDERED. I THINK ON THE BELLEVIEW STREET ITSELF THERE IS THE FACT THAT THE SOUTH SIDE OF THE STREET HAS BEEN PRETTY MUCH REHABBED AND IS PRODUCTIVE RIGHT NOW. IF WE WERE TO SELL THAT AND WE DEFINITELY PAY THAT PORTION OFF, BUT THERE WOULD ALSO PROBABLY BE, THERE'S NO GUARANTEES ON WHAT THAT PROPERTY WOULD ACTUALLY, IF IT WOULD JUST SIT THERE. AND THERE ARE SOME MITIGATING ZONING CODE ENFORCEMENT KIND OF ISSUES THAT WE HAVE BEEN DEALING WITH DURING THIS WHOLE PROCESS. SO IT IS CERTAINLY AN OPTION.

Councilman Littlefield: YEAH, BUT IF WE GIVE YOU THIS CONTINGENCY TRANSFER AND YOU BUILD THOSE BUILDINGS, WE ARE NOW GOING TO BE, THE CITY IS GOING TO BE IN THE AFFORDABLE HOUSING BUSINESS FOR A MINIMUM OF FIVE YEARS AS LOW INCOME HOUSING. OTHERWISE WE WOULD STILL HAVE TO PAY THE \$825,000 PENALTY; IS THAT NOT CORRECT?

Bill Murphy: YES, THAT'S CORRECT, SIR. IF WE ENTER INTO IT AND HAVE THIS AS AFFORDABLE HOUSING AND WE HAVE SOMEONE MANAGING THAT FOR US, WE WOULD STILL HAVE THAT OBLIGATION UNTIL THAT FIVE-YEAR PERIOD IS COMPLETED.

Councilman Littlefield: YEAH. AND SO IN THAT CASE, WE COULD ACTUALLY GET IN A SITUATION IN WHICH WE COULD SPEND, IF WE ALREADY SPENT \$275,000 TO BUY THE LAND, WE COULD SPEND \$800,000 TO BUILD THE BUILDING AND IF WE'RE NOT CAREFUL ABOUT THE CONTRACT WITH WHOEVER WE GET TO MANAGE THIS. IT'S PROBABLY GOING TO BE A CONTRACT THAT RESULTS IN NO REVENUE TO THE CITY, WE COULD STILL END UP ON THE HOOK. WHEN WE DID THIS, THE CITY WAS NOT GOING TO HAVE, THE FEDERAL GOVERNMENT WAS PASSING THIS MONEY THROUGH AND WE WERE PASSING IT THROUGH AND DECIDING ON WHO TO GIVE IT TO AND IT WOULDN'T END UP BEING A FINANCIAL BURDEN ON THE CITY. I GUESS MY THEORY WOULD BE THAT RATHER THAN BUILD A BUILDING THERE, I WOULD RATHER NOT GET INTO THIS BUSINESS AT ALL, PAY THE PENALTIES. SELL THIS. IT'S CHEAPER TO DO THAT THAN TO BUILD IT. IF WE HOLD ON TO IT, WE COULD END UP WITH A BIGGER LOSS.

Mayor Lane: COUNCILMAN PHILLIPS.

[Time: 00:43:56]

Councilmember Phillips: THANK YOU, MAYOR. LISTENING TO THE MAYOR AND COUNCILMAN LITTLEFIELD, THERE'S A LOT OF THINGS GOING ON WITHIN AND I UNDERSTAND THAT NOW TIME IS OF THE ESSENCE TOO AND WE HAVE A BIG LEMON ON OUR HANDS AND WE'RE TRYING TO MAKE LEMONADE OUT OF IT OR SHOULD WE SELL THE LEMONADE STAND AND GET OUT OF THE BUSINESS. THE TWO FOURPLEXES WHICH WOULD BE EIGHT UNITS ALL TOGETHER.

Bill Murphy: THAT'S CORRECT. IT WOULD BE EIGHT UNITS TOTAL.

Councilmember Phillips: ARE THEY A ONE BEDROOM HOUSE?

Bill Murphy: WHAT'S EXISTING TODAY IS THERE'S A TWO BEDROOM IN EACH OF THOSE BUT PART OF WHAT I MENTIONED WE WOULD HAVE TO MAKE ONE OF THE UNITS ON EACH OF THOSE ADA COMPLIANT SO THEY PROBABLY WILL END UP BEING ONE BEDROOMS, YES.

Councilmember Phillips: SO \$1.5 MILLION FOR EIGHT ONE BEDROOM HOMES IN A FOURPLEX. I'M SURE I COULD BUILD IT TO THAT. THIS \$800,000. I THINK BECAUSE IT'S AFFORDABLE HOUSING, WE SHOULD BE ABLE TO FIND SOMEBODY THAT WILL, THE ARCHITECTS AND THE CONSTRUCTION COMPANY, BECAUSE THEY GET GRANTS TOO. I THINK WE COULD REALLY CUT THIS IN HALF. \$400,000 INSTEAD OF \$800,000 TO BUILD THESE AND STILL BE A QUALITY CONSTRUCTION. AND I DON'T KNOW HOW FAR. YOU'VE LOOKED INTO THAT, OR IF YOU'VE HAD BIDS ON THEM ALREADY OR NOT.

City Engineer Derek Earle: MAYOR, COUNCILMAN, PHILLIPS, YOU ARE CORRECT AND I SPENT A FEW YEARS IN HOME BUILDING AS WELL AND I LOOKED AT NUMBER S AND I WAS SOMEWHAT CHALLENGED WITH THE MAGNITUDE OF NUMBERS. AS WE LOOK AT THEM FIRST OF ALL WE DID PRICE THIS OUT AS IF WE HAD COMMERCIAL CONTACTOR CONSTRUCTING THESE, WHICH WE PROBABLY WOULDN'T. WE WOULD HOPEFULLY BE ABLE TO OBTAIN A RESIDENTIAL CONTRACTOR WITH BETTER EXPERIENCE IN DEALING WITH THIS. SECONDLY, WE DO, THROUGH THE PROCESS, PICK UP CITY ADMINISTRATIVE COSTS FOR ADMINISTERING THE CAPITOL PROGRAM AND FINALLY NOT KNOWING EXACTLY WHAT WE WOULD FIND WHEN WE STARTED OPENING UP THESE STRUCTURES AND OPENING UP THE GROUND, WE HAVE A FAIRLY SIGNIFICANT CONTINGENCY OF 20%. AND THE HOPE THAT THESE WOULD COME IN UNDER OR SIGNIFICANTLY UNDER THE BUDGET IS VERY POSITIVE. WE BELIEVE THAT WE HAVE THAT OPPORTUNITY. WE CURRENTLY HAVE A SOLICITATION OUT FOR A CONSTRUCTION MANAGER AT RISK TO CONSIDER COMING IN AND DOING CONSTRUCTION ON THESE BUILDINGS. AS FAR AS OUR TIMING COMING TOGETHER WE'D BE BACK HERE IN A FEW WEEKS WITH THE FIRST AWARD OF THE CONSTRUCTION MANAGER AT RISK PROCESS. IN THAT PROCESS OF WORKING WITH THE CONSTRUCTION MANAGER AT RISK, WE SET CERTAIN QUALIFICATIONS WITH THE ABILITY FOR THE CONSTRUCTION MANAGER, ASK FOR THE ABILITY FOR THEM TO DEMONSTRATE THE EXPERIENCE TO BRING VOLUNTEER LABOR, DONATED SERVICES, DONATED LABOR TO THE SITE WHICH ALSO COULD HELP BRING SOME SAVINGS. UNTIL WE CAN GET THE RESULTS OF THE SOLICITATION WE WON'T KNOW WHERE WE ARE.

[Time: 00:47:18]

Councilmember Phillips: AND THEN, ALONG COUNCILMAN LITTLEFIELD'S LINE, EVEN IF WE STUCK A FOR SALE SIGN AND WALKED AWAY AND PAID THE PENALTY AND GOT OUT OF THE LOW-INCOME HOUSING BUSINESS, WE PROBABLY WOULD STILL HAVE TO TEAR THOSE DOWN BEFORE ANYBODY WOULD BUY THEM. I DON'T THINK ANYONE WHO WANTS TO BUY THAT PROPERTY AS IS OR IF THEY DID, IT WOULD BE SO LOW, THAT IT WOULD BE A JOKE.

Derek Earle: MAYOR, COUNCILMAN PHILLIPS, I'M NOT SURE IF THAT WAS A QUESTION, BUT WHEN WE DID ASBESTOS CONTAINING MATERIALS TESTING, WE DID FIND THAT. EXACTLY WHAT YOU FIND IN A LOT OF THOSE OLD HOUSES. WE USED THE INITIAL \$150,000 CAPITAL CONTINGENCY TRANSFER THAT COUNCIL AWARDED A MONTH OR SO AGO TO DO THE REMOVAL OF THOSE HAZARDOUS MATERIALS AND TO START DESIGN OF POTENTIAL REPLACEMENT.

Councilmember Phillips: YOU'RE SAYING EVERYTHING HAS BEEN REMOVED SO THERE'S NO REAL HEALTH HAZARD TO THE BUILDINGS AS THEY STAND RIGHT NOW?



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Derek Earle: MAYOR, COUNCILMAN PHILLIPS, ONLY IN TERMS OF WHAT WE WOULD TYPICALLY, I WAS TOLD TO SPEAK STRAIGHT INTO THE MICROPHONE WHEN IT STARTS DOING THAT. WE HAVE REMOVED ALL THE ASBESTOS-CONTAINING MATERIALS IN THE PROCESS OF FINISHING THAT ACTIVITY RIGHT NOW.

Councilmember Phillips: OKAY, SO THEN YOU'RE SAYING WE COULD SELL THEM AS SHELLS RIGHT NOW AND SOMEONE ELSE COULD COME IN AND HAVE THEM BUILD SOMETHING NEW OR THEY COULD FIX THOSE UP. THAT IS AN OPTION?

Derek Earle: MAYOR, COUNCILMAN PHILLIPS, I'M SURE THAT IS AN OPTION AT THIS POINT IN TIME.

Councilmember Phillips: WHAT I AM THINKING IS IT SOUNDS LIKE WE HAVE A COUPLE OF OPTIONS TO NOT MAKE THIS DECISION TONIGHT UNTIL WE FIND OUT EITHER HOW MUCH IT WILL REALLY COST TO BUILD THESE UNTIL WE HAVE A BETTER IDEA OF WHAT WE ARE ASKING FOR OR TO FIND OUT HOW MUCH WE COULD SELL THESE FOR.

Derek Earle: MAYOR, COUNCILMAN PHILLIPS, IF I COULD ANSWER THAT QUESTION. WE DO ACTUALLY, I NEVER LIKE TO TRY TO PUT COUNCIL IN A POSITION TO SAY WE HAVE TO ACT BECAUSE I DON'T THINK THAT'S APPROPRIATE AND THAT'S NOT FAIR, BUT WE HAVE CRAFTED A VERY DETAILED SCHEDULE THAT WOULD ALLOW US, IF COUNCIL MADE THIS AWARD TONIGHT, THAT WE WOULD ACTUALLY START DEMOLITION OF THE BUILDINGS TAKEN DOWN TO THE SLAB SO THAT WHEN WE BRING OUR CONSTRUCTION AWARD FORWARD, WE WOULD BE PREPARED LITERALLY TO START BUILDING IT BACK. SO THAT IS THE ONLY KEY ISSUE THAT WE HAVE TONIGHT. IF THERE IS A CHOICE FOR COUNCIL TO MOVE FORWARD WITH RECONSTRUCTING THESE UNITS AS WE HAVE PROPOSED, WE WOULD REQUEST THAT COUNCIL MAKE A DECISION TONIGHT. OTHERWISE, ANY OF THE OTHER ALTERNATIVES, IF WE DON'T MAKE THAT DECISION TONIGHT, WE HAVE THE POTENTIAL OF CLOSING OUT THE SCHEDULE OR MAKING SOME TIME IN THE SCHEDULE, WE MAY NOT GET THEM OCCUPIED.

[Time: 00:50:22]

Councilmember Phillips: IF WE DO APPROVE THIS AND THEN PEOPLE LIVE IN THEM FOR FIVE YEARS, AFTER FIVE YEARS, IT IS AN OPTION TO SELL OR SOMETHING LIKE THAT THEN.

Derek Earle: MAYOR, COUNCILMAN PHILLIPS, YOU WILL HAVE NEW UNITS AT THAT POINT LOCATED ON BELLEVIEW. I CAN'T ESTIMATE THAT MARKET VALUE. IF IT WERE TODAY, IT WOULD BE \$3 OR \$400,000. THAT'S JUST A GUESS.

Councilmember Phillips: MAYBE WE CAN JUST GET OUT FROM UNDERNEATH IT. SO I GUESS I'LL SEE WHAT THE REST OF THE COUNCIL HAS TO SAY.

Mayor Lane: THANK YOU COUNCILMAN PHILLIPS. COUNCILWOMAN MILHAVEN.

[Time: 00:51:03]

Councilwoman Milhaven: I THINK THE COMMENTS THAT HAVE BEEN MADE HAVE GREAT MERIT AND I SPENT SOME TIME GOING BOTH SIDES OF THIS TO SAY IF WE PAY THE FINE, SELL THE LOT THEN WE'RE ONLY OUT A HALF A MILLION DOLLARS. BUT WHEN I LOOK AT THE OTHER SIDE OF IT, IF WE SPEND

\$800,000, WE HAVE AN ASSET THAT HAS SOME VALUE SO IT'S \$500,000 FOR NOTHING TO CUT OUR LOSSES, BUT IF WE SPEND \$800,000, IT WOULD BE REALLY HELPFUL TO GET AN APPRAISAL TO SAY IF WE MAKE THIS INVESTMENT, WHAT'S THE VALUE OF THIS ASSET BECAUSE WE WILL STILL OWN SOMETHING AFTER THE INVESTMENT. THE OTHER THING IS, AFFORDABLE HOUSING IS NOT FREE HOUSING. THERE WILL BE RENT ROLLS THAT ALSO HAS A VALUE TO THE CITY THAT WE NEED TO CONSIDER WHEN WE'RE BALANCING THAT. AND THE OTHER INTANGIBLE IS THE POLICY DECISION IS WE WERE TRYING TO HELP THIS NEIGHBORHOOD IMPROVE ITSELF AND PROVIDE DECENT HOUSING. IF WE KNOCK IT DOWN AND SELL IT ARE WE WALKING AWAY FROM THE COMMITMENT TO THIS STREET? THAT IS ALSO A PRICE WE NEED TO CONSIDER HERE. I ALSO UNDERSTAND THAT WE'RE GOING TO GET TO SEE THIS AGAIN; RIGHT? WE'RE GOING TO SEE THE CONSTRUCTION CONTRACT AND IF YOU SELECT SOMEBODY FOR MANAGEMENT SERVICES CONTRACT, WE'LL SEE THAT ALSO.

Derek Earle: MAYOR COUNCILWOMAN, YES. WE WILL BRING TWO ADDITIONAL AWARDS. ONE WOULD BE CONSTRUCTION PHASE SERVICES FOR CONSTRUCTION MANAGER AT RISK JUST TO GIVE YOU AN IDEA. THAT WOULD ON OCTOBER 8th AND THEN ON OCTOBER 22nd, WE WOULD ACTUALLY BRING THE CONSTRUCTION CONTRACT SO WE WOULD ACTUALLY SEE IT TWICE MORE RELATIVE TO ANY COUNCIL ACTIONS.

Councilwoman Milhaven: THANK YOU. SO IN THAT CASE, IT'S IN EVERYBODY'S BEST INTEREST TO JUST TEAR THESE BUILDINGS DOWN REGARDLESS OF WHAT WE DO. I'M INCLINED TO SUPPORT THIS CAPITAL BUDGET TRANSFER GIVEN THAT WE COULD GET SOME MORE INFORMATION AROUND WHAT RENT ROLLS WOULD BE WORTH AND WHAT THE BUILDING WOULD BE WORTH BEFORE WE MAKE IT GO. AND I HAVE TO AGREE, IT'S OVER \$100,000 A UNIT SOUNDS PRETTY PRICEY. YOU DID A NICE JOB EXPLAINING WHAT ALL IS IN THERE THAT MAY BE EXAGGERATING THAT PRICE. SO, MAYOR, DO YOU HAVE ANY COMMENTS?

Mayor Lane: YES.

Councilwoman Milhaven: THEN I'LL HOLD OFF MAKING A MOTION. THANK YOU.

Mayor Lane: THANK YOU COUNCILWOMAN. VICE MAYOR KLAPP.

[Time: 00:53:24]

Vice Mayor Klapp: YEAH, COUNCILWOMAN MILHAVEN MADE SOME OF THE POINTS I WAS GOING TO MAKE. WE'RE GOING TO SPEND \$800,000 ANYWAY BECAUSE WE PAY \$800,000 OR LESS TO IMPROVE THE PROPERTY OR WE PAY \$825,000 TO THE FEDERAL GOVERNMENT AS OUR PENALTIES FOR THIS WHOLE PROCESS. SO IT SEEMS TO ME THAT THE BETTER COURSE OF ACTION WOULD BE TO HAVE SOMETHING TANGIBLE WHEN WE GET DONE RATHER THAN NOTHING. AND MY FEELING WOULD BE THAT WE GO AHEAD AND DO THE CONSTRUCTION FOR HOPEFULLY LESS THAN \$800,000 BECAUSE THERE IS ALSO AS WE HAVE MENTIONED IN THE ORIGINAL HUD GRANT A VERY SPECIFIC URGENT COMMUNITY NEED AND THAT IS FOR AFFORDABLE HOUSING WHICH IS SOMEWHAT HARD TO PUT A PRICE ON, BUT IT'S STILL FILLING A NEED THAT WAS THE COMMITMENT OF PREVIOUS COUNCILS AND I THINK WITH OUR COMMITMENT WHEN WE AGREED TO BUY THESE UNITS.

Mayor Lane: THANK YOU, VICE MAYOR. COUNCILWOMAN KORTE.

Councilmember Korte: THANK YOU, MAYOR. I COMPLETELY UNDERSTANDING IF WHETHER THE QUESTION OF WHETHER WE'RE THROWING GOOD MONEY AFTER OTHER MONEY CERTAINLY IS THE QUESTION, BUT I WOULD RATHER INVEST \$800,000 IN A TANGIBLE ASSET IN OUR COMMUNITY THAN GIVE \$825,000 BACK TO THE FEDERAL GOVERNMENT. I THINK THE ARGUMENT IS A BIGGER PICTURE HERE AND THIS COMMUNITY'S COMMITMENT TO AFFORDABLE HOUSING AND DIVERSITY OF HOUSING OPTIONS. THIS IS A FIT FOR THE NEIGHBORHOOD. WE HAVE FAMILY PROMISE RIGHT ACROSS THE STREET. FAMILY PROMISE SUPPORTS THE HOMELESS POPULATION IN SCOTTSDALE. WE HAVE THE SHELTER DOWN THE STREET FROM THIS SITE WHICH SUPPORTS DOMESTIC VIOLENCE AND THIS IS SOMETHING THAT I BELIEVE AS A COMMUNITY WE NEED TO COMMIT TO. THANK YOU.

Mayor Lane: COUNCILMAN LITTLEFIELD.

[Time: 00:56:13]

Councilman Littlefield: WHAT ABOUT OUR RESPONSIBILITY TO PEOPLE WHO NEED AFFORDABLE HOUSING? WHAT ABOUT OUR RESPONSIBILITY TO THE TAXPAYERS WHO ARE ALREADY TAKING A BATH ON THIS. I REMEMBER WHEN THIS DEAL CAME UP YEARS AGO. THE IDEA WAS IT WASN'T GOING TO COST THE CITY ANYTHING. WE WERE GOING TO PASS IT THROUGH TO CSA. WELL, GUESS WHAT? CSA WENT BANKRUPT AND WHO IS LEFT HOLDING THE BAG? THE CITY. WELL, NO, NOT EXACTLY THE CITY. IT'S ALL YOU. YOU PAY TAXES. \$825,000 WE WOULD HAVE TO GET BACK TO THE GOVERNMENT. THAT'S \$825,000 MINUS WHATEVER WE SELL THIS FOR. IF WE DON'T DO THAT, WE HAVE PAID \$275,000 PLUS WE HAVE TO PUT \$800,000 IN. MAYBE IT'S GOING TO BE LESS. I'M SORRY BUT HOPE ISN'T A STRATEGY. WHEN IS SOMETHING CAME IN UNDER THE COST LIMIT. CERTAINLY NOT WHEN I REMEMBER. WE WON'T HAVE IS AN ASSET. WHAT WE'RE GOING TO HAVE IS AN ONGOING WHITE ELEPHANT. WE WOULD BE REQUIRED TO HOLD ON TO THIS FOR ANOTHER FIVE YEARS. FOR ALL THAT FIVE YEARS, WE WOULD BE AT RISK NOT ONLY OF ALL THE MONEY WE HAVE ALREADY THROWN IN, THE MILLION TO \$750,000, BUT THERE'S STILL A POSSIBILITY WE WOULD END UP HAVING TO PAY BACK THAT \$825,000 ON TOP OF THAT IF THE CONTRACT OR WE SELECT TO RUN IT SCREWS US LIKE, THE CSA DID. NOW, NO OFFENSE, FOOL ME ONCE, SHAME ON YOU. FOOL ME TWICE, SHAME ON ME. HOW STUPID DO WE HAVE TO BE TO MAKE THIS SAME MISTAKE OVER AGAIN THAT WE MADE WHEN WE TOOK THIS GRANT IN THE FIRST PLACE? WE BUILT THIS FROM THE \$800,000 WE NOW OWN, OF FOUR FOURPLEXES THAT WE'RE GOING TO GIVE TO SOMEBODY ELSE TO MANAGE, SOME NONPROFIT. WHO KNOWS WHAT THEY'RE GOING TO DO, WHAT KIND OF JOB THEY'RE GOING TO DO, AND BY THE WAY, THE CONTRACT THAT WE'RE TALKING ABOUT PUTTING OUT, WE'RE NOT EVEN GOING TO GET ANY OF THE RENT. TAXPAYERS AREN'T GOING TO GET ANY OF THE RENT BACK. THIS IS A BAD DEAL. AND THE ONLY THING DUMBER THAN BEING IN A BAD DEAL IS MAKING IT A WORSE DEAL. THIS IS NOT AN ASSET. IT'S A WHITE ELEPHANT AND TO BE FAIR TO THE TAXPAYERS, WE SHOULD GET RID OF IT AS QUICKLY AS POSSIBLE.

[Time: 00:58:48]

Mayor Lane: THANK YOU COUNCILMAN. JUST A FINAL COMMENT THAT I WANT TO SAY IS THAT AREA IS DEVELOPING VERY DIFFERENTLY THAN MAYBE IT WAS FIRST SEEN TO BE. AFTER THE ECONOMIC CRISIS THAT WE HAVE BEEN LIVING THROUGH FOR THE LAST FOUR OR FIVE YEARS NOW, IT, WHICH IS REALLY WHAT CREATED THIS PROBLEM. CORRECT ME IF I'M WRONG. WHEN WE TOOK BACK THOSE PROPERTIES FROM CSA TO AVOID THE PENALTY OF \$1.6 MILLION, I BELIEVE IT WAS; RIGHT? TWO OF

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THEM WENT TO SOMEBODY ELSE. ONE OR TWO OF THEM THAT TOOK HALF OF THIS. THEY ARE NOW REDEVELOPING IT FOR AFFORDABLE HOUSING IN COMPLIANCE WITH THE CDBG FUNDS. IS THAT RIGHT?

Bill Murphy: ARE YOU TALKING ABOUT THE HOME PROGRAM? SO THE CSA, YES, WE DID SELL THOSE TO HOLIDAY PARTNERS WHO ARE IN TURN RIGHT NOW MANAGING THOSE FOR US. AND COMPLYING WITH THE HOME REQUIREMENTS RIGHT NOW FOR THAT.

Mayor Lane: AND THEY HAVE FIVE YEARS THAT THEY NEED TO COMPLY IN WHICH TIME IT THEN BECOMES MARKET RATE FOR WHATEVER THEY HAVE THERE.

Bill Murphy: MAYOR LANE AND MEMBERS OF THE COUNCIL. THE HOME PROGRAM IS A LITTLE DIFFERENT. IT ADDS FURTHER OUT YEARS. WE HAD ONE PARCEL THAT WOULD ACTUALLY COME OFF THE ROLES THIS AUGUST. BUT THE OTHERS ARE ALL THE WAY THROUGH TO 2027 THEY GO TO. SO IT IS JUST DEPENDING ON THE LANGUAGE.

Mayor Lane: I GUESS MY POINT IS THAT SOME OF THESE PROPERTIES HAVE BEEN PURCHASED BY PEOPLE WHO ARE BY WHATEVER REASON OR MEANS THAT ARE COMPLYING WITHIN THE OBLIGATIONS OF THE CDBG QUALIFYING POWER. THERE'S NO PENALTY ASSOCIATED WITH THOSE AND THEY'RE GONE. THESE ARE THE TWO REMAINING PARCELS THAT WE OWN TODAY; IS THAT CORRECT?

Bill Murphy: MAYOR LANE AND MEMBERS OF THE COUNCIL. THERE'S THREE PARCELS ON THAT STREET IN WHICH THE CITY HAS INTEREST. THE OTHER IS 7234 WHICH IS TWO DOORS TO THE EAST OF THESE TWO PARCELS. SO THERE'S ACTUALLY THREE AND THE LITTLE DIFFERENT LOAN ON THAT PARTICULAR PROPERTY, BUT THAT IS ONE RIGHT NOW CURRENTLY THAT WE ARE IN NEGOTIATION WITH CSA WHO IS IN TURN WORKING CLOSELY WITH THE HOLIDAY PARTNER WHO WE HAD THE DEAL WORKED OUT WITH THE HOME PROGRAM. SO IF THEY ARE, AND AGAIN, THEY UNDERSTAND TO COMPLY WITH THAT THAT THE CDBG ELIGIBILITY WOULD HAVE TO BE INTACT.

[Time: 01:01:29]

Mayor Lane: SO THERE'S AT LEAST THE THREE PARCELS. ONE THAT YOU TALK ABOUT NOW AND THE TWO OTHERS.

Bill Murphy: THE TWO THAT WE ARE SPEAKING ABOUT TONIGHT AND ONE ADDITIONAL.

Mayor Lane: THAT WE CURRENTLY STILL OWN.

Bill Murphy: CORRECT.

Mayor Lane: SO WE DID DISPOSE OF ONE OR TWO OTHERS THROUGH THE HOME PROGRAM. AND THE INDIVIDUAL THAT WAS GOING TO HOLD.

Bill Murphy: THROUGH THE HOME PROGRAM, THOSE HAVE BEEN COMPLETED THAT WE BROUGHT TO YOU EARLIER IN THE YEAR.

Mayor Lane: ALL RIGHT. SO THE PROBLEM ON THE OVERALL IS PARTIALLY SOLVED OR IN PROCESS FOR THOSE PARCELS. THE REASON I EVEN WANTED TO BRING IT UP IS THE FACT THAT THERE HAS BEEN SOME INTEREST IN IT. WE DO NOW HAVE IMMEDIATELY TO THE NORTH OF THIS BELLEVIEW, THERE MAY BE SOME CONTINUING INTEREST IN THESE PARCELS. MY CONCERN TRULY IS OF INVESTING MORE MONEY INTO THIS WITHOUT REALLY ANY OPPORTUNITY TO BE SEEN WE'RE GOING TO RECOVER IT. CONVERSATIONS THAT WE HAD PREVIOUSLY WERE THAT EVEN AS AFFORDABLE HOUSING, THE INCOMES IN THE CITY WOULD BE MINIMAL AND WHATEVER CONTRACT WE DID WITH AN OPERATOR FOR IT. SO I DON'T SEE A GREAT AVENUE THERE OTHER THAN TURNING AROUND AND SELLING IT ONCE WE BUILD IT, BUT OF COURSE THEN WE WOULD HAVE TO SELL IT WITH THOSE STIPULATIONS. NOW NEW PROPERTY AND SELL IT WITH THE STIPULATIONS THAT IT HAS TO BE AFFORDABLE HOUSING. THEY WOULD BE IN THE SAME BIND TRYING TO JUSTIFY IT AS WE WOULD AND HOW THEY WOULD PRICE THAT THING OUT. SO I GUESS I AM PERSONALLY ADVERSE. I AM ALSO CONCERNED ABOUT THE FACT THAT WE ARE ON A TIMETABLE RIGHT NOW, AND MR. EARLE, I APPRECIATE THE FACT THAT YOU HAVE A TIMETABLE IN FRONT OF YOU AND THAT TIME IS OF THE ESSENCE AND I UNDERSTAND THAT, BUT THAT IS JUST ANOTHER ADDED ELEMENT OF RISK INTO THIS PICTURE OF ANOTHER \$825,000 THAT IF WE AREN'T SUCCESSFUL IN GETTING THIS BUILT AND OCCUPIED, IN THAT MARCH TIME FRAME. I'LL LEAVE IT AT THAT FOR RIGHT NOW. THAT'S WHERE I AM AT ON IT. COUNCILMEMBER MILHAVEN.

Councilwoman Milhaven: THANK YOU. THE ONLY WAY TO MITIGATE THE COST OF THE TAXPAYERS IS TO INVEST, AND THEN WE HAVE AN ASSET. AND THE OTHER IS COMMENTS ABOUT NO RENT. WE CAN'T SPECULATE WHAT THE MANAGEMENT SERVICES CONTRACT WOULD BE AND WHAT THE RENT ROLLS WOULD BE UNTIL WE GET THAT AGREEMENT. I WOULD LIKE US TO CONTINUE TO GO DOWN THIS ROAD. SO I'M GOING TO MAKE A MOTION TO ADOPT RESOLUTION 9524 AUTHORIZING A GENERAL FUND CAPITAL CONTINGENCY BUDGET TRANSFER IN THE AMOUNT OF \$800,000 TO CIP PROJECT 402-DA03A, BELLEVIEW PROPERTY IMPROVEMENTS.

Vice Mayor Klapp: SECOND.

Mayor Lane: WOULD THE SECOND LIKE TO SPEAK TO IT?

Vice Mayor Klapp: NO I ALREADY DID.

Mayor Lane: OKAY, VERY GOOD. SO WE HAVE THE MOTION AND SECOND. COUNCILMAN LITTLEFIELD.

[Time: 01:04:19]

Councilman Littlefield: COUNCILWOMAN ACTUALLY STARTED OUT ALONG THE RIGHT PATH WHEN SHE SAID I'M AFRAID THIS IS GOOD MONEY AFTER BAD AND THAT IS EXACTLY WHAT IT IS. AND THAT IS WHY WE SHOULDN'T DO THIS. NOW, WHEN YOU WERE REFERRING TO THE OTHER PROPERTIES, THE TWO KEY WORDS THERE. SOLD AND GONE. WELL, THAT IS WHAT THIS SHOULD BE. SOLD AND GONE. IT'S A BAD IDEA. WE ALREADY MADE A MISTAKE. WE'RE GOING TO COMPOUND THAT MISTAKE AND REALLY JUST CRACKS ME UP WHEN I HEAR PEOPLE UP HERE TALKING ABOUT WELL, WE NEED TO BE IN THE AFFORDABLE HOUSES. WHEN WAS IT DECIDED THAT IT WAS THE CITY'S JOB TO SPEND TAXPAYER MONEY TO BUILD AFFORDABLE HOUSING? I DON'T REMEMBER THAT. I DON'T REMEMBER THAT COMING UP FOR A VOTE AND I THINK THAT'S A BAD IDEA AND THAT IS EXACTLY WHAT YOU'RE DOING HERE. ALL RIGHT. NO, THAT'S WHAT YOU'RE DOING HERE. YOU'RE GOING TO SPEND \$800,000 TO BUILD

AFFORDABLE HOUSING. THEN YOU'RE GOING TO TURN AROUND AND GIVE IT TO SOME NONPROFIT TO USE FOR FIVE YEARS WITH NO REVENUE TO THE CITY, NO REVENUE TO THE CITY, NOT A DIME, AND THEN AT THE END OF THAT FIVE YEARS, YOU'RE GOING TO HAVE WHO KNOWS WHAT? MAYBE NOTHING. OR MAYBE WE'LL END UP PAYING A PENALTY THERE AGAIN. THIS WAS A BAD DEAL. IT WENT BAD. OKAY. WHEN YOU MAKE A MISTAKE, YOU HAVE TO RECOGNIZE IT AND NOT EITHER MAKE THE SAME MISTAKE AGAIN OR COMPOUND THE MISTAKE. SO I'M GOING TO MAKE AN ALTERNATE MOTION THAT WE SELL THE PROPERTY FOR AS MUCH AS WE CAN GET RIGHT AWAY AND EAT THE PENALTY.

Mayor Lane: THANK YOU COUNCILMAN.

Councilmember Phillips: I'LL SECOND IT.

Mayor Lane: AND SECOND. WOULD THE SECOND LIKE TO SPEAK TOWARD THAT ALTERNATE MOTION?

Councilmember Phillips: I THINK AFTER LISTENING TO ALL THE COUNCIL SPEAK, YOU KNOW, I THINK I BELIEVE THAT IS TRUE THAT THE CITY ISN'T IN THE HOUSING BUSINESS. WE'RE NOT SUPPOSED TO BE BUILDING HOUSES AND TRYING TO MAKE A PROFIT OFF OF THEM OR TRYING TO RECOUP LOSSES OFF THE BAD DEAL. I WOULD LIKE TO SEE US GET OUT OF THIS THING ALL TOGETHER AT THIS POINT.

Mayor Lane: THANK YOU COUNCILMAN. JUST ONE FURTHERANCE ON THIS. WHEN WE PURCHASED THIS PROPERTY AT \$275,000, IT WAS SUBJECT TO THE ENVIRONMENTAL CONTAMINATION OR CONCERNS THAT WE HAVE SINCE REMEDIED FOR \$150,000.

Bill Murphy: THE CONTINGENCY FUND, YES, THAT WE APPROVED IN JULY, WE HAVE MITIGATED THE ENVIRONMENTAL CONCERNS AT THIS POINT.

Mayor Lane: SO ESSENTIALLY, AND I REALIZE THIS MAY NOT BE RECOGNIZED IN THE MARKETPLACE, BUT THE PROPERTY HAS BEEN IMPROVED BY \$150,000 OF ENVIRONMENTAL REMEDIATION.

Bill Murphy: I'LL ASK MR. EARLE TO COMMENT ON THAT.

[Time: 01:07:08]

Derek Earle: EXCUSE ME. MAYOR, ACTUALLY, THE MITIGATION WAS FAR LESS THAN THAT. PROBABLY LESS THAN \$50,000. THE REMAINING OF THE CIP CONTINGENCY TRANSFER THAT WE DID EARLIER IN THE YEAR WAS INTENDED FOR DESIGN AND SOME OF THE INITIAL INTERIOR DEMOLITION. SO WHERE WE ARE TODAY IS PROBABLY UP TO ABOUT \$50,000 OF THAT ORIGINAL CIP CONTINGENCY TRANSFER SPENT.

Mayor Lane: SO THAT IS THE EXTENT THAT THE \$150,000 WAS SPENT OR HAS SOME OTHER DESIGN ISSUES?

Derek Earle: AT THIS POINT IN TIME, THAT'S, I WANTED TO GET THE EXACT NUMBERS FOR YOU, BUT THAT IS THE NEIGHBORHOOD OF WHAT WE SPENT TODAY.

Mayor Lane: OKAY. ALL RIGHT. WE DO HAVE THAT ALTERNATE MOTION ON THE TABLE. COUNCILMAN LITTLEFIELD, DO YOU HAVE SOMETHING FURTHER TO SAY.

Councilman Littlefield: I WOULD JUST SAY EVERY TIME WE ASK A QUESTION, WE FIND MORE MONEY WE HAVE SPENT ON THIS OR ABOUT TO SPEND ON IT. THAT'S GOING TO BE THE STORY FOR THE NEXT FIVE YEARS IF WE DON'T DUMP THIS THING NOW. FOR THE NEXT FIVE YEARS, WE'RE GOING TO BE HOLDING THIS WHITE ELEPHANT AND WE'RE GOING TO BE BACK HERE AND MR. MURPHY AND ALL THE NICE PEOPLE ARE GOING TO BE ASKING FOR MORE MONEY TO DO SOMETHING ELSE. IT IS LIKE THE TARPITS. THE FUNNY THING ABOUT IT IS GOING BACK TO THAT QUESTION. WHY IS THE CITY IN THE AFFORDABLE HOUSING BUSINESS? YOU KNOW, TONIGHT WE'RE GOING TO BE HERE TALKING IN A FEW MINUTES ABOUT, WELL, PROBABLY IN A COUPLE OF HOURS ACTUALLY, ABOUT PAYING POLICE AND FIREMEN ENOUGH SO THEY DON'T ALL LEAVE AND GO TO GILBERT. YOU KNOW, WHERE ARE OUR PRIORITIES WHEN WE ARE TAKING MONEY WHICH WE'RE SUPPOSED TO BE SHORT OF; RIGHT NOW WE'RE GOING TO SPEND IT ON BUILDING AFFORDABLE HOUSING. I THINK THE TAXPAYERS, IF THEY KNEW THAT IS WHAT WE WERE DOING, THEY WOULD SCREAM BLOODY MURDER. THEY WOULDN'T BOTHER TO RECALL US. THEY WOULD COME DOWN HERE WITH PITCHFORKS AND TORCHES. THIS IS A TERRIBLE IDEA. IT'S A TERRIBLE IDEA AND WE SHOULD GET OUT OF THIS BUSINESS NOW.

Mayor Lane: THANK YOU COUNCILMAN FOR THAT PASSION, BUT WE DO HAVE AN ALTERNATIVE VOTE TO BE MADE. THIS IS THE ALTERNATIVE VOTE WITH COUNCILMAN LITTLEFIELD. THAT IS TO CUT OUR LOSSES.

Councilman Littlefield: ESSENTIALLY YES.

Mayor Lane: AND THOSE IN FAVOR PLEASE INDICATE AYE. THOSE OPPOSED NAY. AYE. THE ALTERNATIVE MOTION FAILS. COUNCILMAN LITTLEFIELD AND COUNCILMAN PHILLIPS. SO THAT ELIMINATES THE ALTERNATIVE MOTION AND WE GO BACK TO THE MAIN MOTION WHICH WAS THE OPTION OF THE RESOLUTION AS STATED IN OUR COUNCIL REPORT. SO I THINK WE'RE THEN READY TO VOTE ON THAT AND THOSE IN FAVOR, PLEASE INDICATE BY AYE. THOSE OPPOSED WITH A NAY.

NAY. THIS MOTION PASSES 4-3. THANK YOU VERY MUCH FOR THE INFORMATION, EVERYONE, AND FOR THE INPUT FROM THE COUNCIL HERE. THAT COMPLETES ITEM 11.

**ITEM 20 – PUBLIC SAFETY ORDINANCE**

[Time: 01:10:27]

Mayor Lane: AND IT TAKES US TO OUR REGULAR, REGULAR AGENDA ITEM. ITEM 20 WHICH IS A PUN LICK SAFETY PLAN ORDINANCE. THIS IS A REQUEST TO ADOPT THE ORDINANCE NUMBER 4109 AND ADDING ARTICLE 4, SECTION 23 THROUGH 50 THROUGH 23 THROUGH 76, TO CHAPTER 23 OF THE REVISED CODE FOR THE IMPOSITION AND REGULATION OF PUBLIC SAFETY PLANS. INITIAL PRESENTER WOULD BE MY CHIEF OF STAFF, JP TWIST.

[Time: 01:10:52]

Chief of Staff J.P. Twist: THANK YOU, MAYOR. AGAIN FOR THE RECORD, MY NAME IS JP TWIST. I'M HERE PRESENTING THE PUBLIC SAFETY PLAN ORDINANCE THAT WE HAVE BEEN WORKING ON FOR QUITE A WHILE. WITH ME HERE IS OUR SENIOR ASSISTANT CITY ATTORNEY LUIS SANTAELLA, COMMANDER WALTHER WITH THE SCOTTSDALE POLICE DEPARTMENT AND OUR FIRE MARSHALL DEPUTY CHIEF, JIM FORD AS WELL AS RANDY GRANT AND SOME OTHERS TO ANSWER SOME QUESTIONS. I'M GOING TO RUN THROUGH THE ORDINANCE AND THE COMMANDER IS GOING TO TAKE OVER AND WE'LL TAKE YOUR QUESTIONS FROM HERE. IN THE PRESENTATION TONIGHT. MOST OF THIS PRESENTATION YOU HAVE SEEN ALREADY WHEN WE CAME TO COUNCIL A COUPLE OF MONTHS BACK. WE HAD SOME CHANGES WHICH WE'LL GO OVER. REMEMBER IN THE TIMELINE, ALL OF THIS STARTED FOLLOWING THE BRUTAL ATTACK OF TYRESE THOMPSON WHICH HAPPENED AT A DOWNTOWN ESTABLISHMENT WHO IS A CIVILIAN SECURITY OFFICE EVERY WHO WAS ESCORTING SOME ROWDY PATRONS OUT AND IN THE PROCESS OF THAT WAS STABBED MULTIPLE TIMES IN THE FRONT AND BACK AND LATER SUCCUMBED TO HIS WOUNDS AT THE HOSPITAL. JANUARY 27th IS WHEN THAT HAPPENED. JANUARY 28th, THAT MONDAY, MAYOR LANE CONVENED A MEETING WITH CITY STAFF TO DISCUSS BAR AND NIGHT CLUB SAFETY. THOSE MEETINGS INCLUDED THE CITY ATTORNEY'S OFFICE, SCOTTSDALE POLICE, SCOTTSDALE FIRE AND THE PLANNING DEPARTMENT. FOLLOWING THAT MEETING WHEN WE DEVELOPED SOME IDEAS, WE REACHED OUT TO A COUPLE OF ORGANIZATIONS INCLUDING THE DOWNTOWN ENTERTAINMENT ASSOCIATION OR THE ARIZONA RESTAURANT ASSOCIATION AND WE CAME WITH THEM WITH IDEAS THE MAYOR HAD. FOLLOWING THAT INITIAL OUTREACH, WE TOOK THOSE COMMENTS AND DEVELOPED THE PUBLIC SAFETY PLAN. WE HAVE HAD MANY CHANGES SINCE THEN BUT WE'LL GO OVER SOME OF THOSE CHANGES. IN ADDITION TO THE OUTREACH THAT WE DID WITH THE BUSINESS FOLKS WITH THE ARIZONA RESTAURANT ASSOCIATION, FOLKS LIKE THAT, WE ALSO CONDUCTED THREE PUBLIC MEETINGS OR TOWN HALLS IF YOU WILL, ONE WAS THAT THE HUMAN RESOURCES CENTER DOWN AT 10:00 A.M. THE NEXT ONE WAS AT THE DISTRICT 3 POLICE STATION. AT BOTH OF THOSE MEETINGS WE HAD PRETTY GOOD TURN-OUT FROM BUSINESS OWNERS THAT ARE POTENTIALLY AFFECTED BY THIS ORDINANCE. I THINK WE HAD AN AVERAGE ANYWHERE FROM 20 TO 40 PEOPLE AT EACH OF THOSE MEETINGS. AT THE JULY 24th MEETING, A COUPLE OF RESIDENTS ASKED US IF WE WOULD ADD AN ADDITIONAL MEETING THAT WOULD BE LATER IN THE EVENING. WE NOTICED THE FIRST TWO MEETINGS WE DID AT 10:00 A.M. WE WERE TRYING TO SELECT AS MUCH SUPPORT FROM BUSINESSES AS POSSIBLE. WE ACCEPTED THAT AND HAD A MEETING IN THE EVENING. AGAIN, IT'S A HUMAN RESOURCE SENATOR WHO IS WELL-ATTENDED BY BOTH SOME BUSINESS OWNERS AND ALSO RESIDENTS. SO AFTER TYRESE WAS MURDERED AND THE MAYOR ASKED HIS OFFICE AND STAFF TO GET TOGETHER TO LOOK AT HOW DOES THE CITY HANDLE SECURITY WHEN IT COMES TO OUR BARS AND RESTAURANTS AND NIGHT CLUBS.

[Time: 01:13:40]

WHAT WE CURRENTLY HAVE AND AS I EXPLAINED TO YOU IS AN SMO PLAN, SECURITY, MAINTENANCE AND OPERATION PLAN. IF YOU ARE A BAR AND YOU COME IN TO GET YOUR BAR USE PERMIT TODAY, YOU'RE REQUIRED TO SUBMIT AN SMO PLAN AND YOU WOULD HAVE IN THAT PLAN WHO YOUR SECURITY MANAGERS ARE, WHO'S GOING TO TAKE OUT YOUR TRASH, HOW MANY PEOPLE YOU'RE GOING TO HAVE WORKING IN THAT PARTICULAR TIME AND THAT KIND OF STUFF. AFTER EVALUATING THIS WE FOUND FIVE MAJOR DEFICIENCIES. THE FIRST OF THAT WHEN SOME ESTABLISHMENTS DON'T HAVE AN SMO PLAN. SMO HAS ONLY BEEN AROUND FOR NINE OR TEN YEARS. SO THE ESTABLISHMENT WHERE TYRESE WAS STABBED, FOR EXAMPLE, DOES NOT HAVE AN SMO PLAN. THEY HAVE A LETTER THAT WAS SUBMITTED TO THE SCOTTSDALE POLICE DEPARTMENT IN THE 90s, LATE 90s SAYING THAT



THEY ARE COMMITTED TO HAVING A SAFE ENVIRONMENT. THEY'LL HAVE SOME SECURITY OFFICERS DOING THAT KIND OF STUFF. THERE ARE A LOT OF ESTABLISHMENTS ACROSS THE CITY THAT DON'T HAVE AN SMO. IN ADDITION TO THAT, AND WE'LL TALK ABOUT THIS A LOT DURING THE PRESENTATION. WE HAVE NEVER REALLY FOUND AN AVENUE WHERE THERE WAS A FORGED OR ENCOURAGED OR FORCED RELATIONSHIP BETWEEN BAR OWNERS, NIGHT CLUB OWNERS AND THE SCOTTSDALE POLICE DEPARTMENT OR FIRE DEPARTMENT. THIS WAS ONE THAT NEEDED TO BE ADDRESSED IMMEDIATELY. ONE WAY THAT WE WERE GOING TO DO THAT IS THROUGH MANDATORY RESUBMITTAL, IF YOU SUBMITTED YOUR SMO PLAN FIVE YEARS AGO, YOU'RE ONLY REQUIRED TO DO IT ONCE. POLICE AND FIRE STAFF ARE NOT CONTINUING REVIEWING THAT. MAYBE YOUR SAFETY CONDITIONS HAVE CHANGED OVER THE YEARS. WE FOUND THAT AS A MAJOR DEFICIENCY AND SOMETHING TO TALK ABOUT IN THE ORDINANCE LATER ON. THERE WAS NO SET RATIO FOR SECURITY OFFICERS TO PATRON. IN THE SMO PLAN, YOU COULD COME IN AND SAY I'M GOING TO HAVE ONE OFFICER DOING THIS JOB DURING MY BUSIEST TIMES. I'M GOING TO HAVE TWO OFFICERS. WE DIDN'T HAVE A SET STANDARD OR A MINIMUM THAT SAID AT THE VERY LEAST YOU MEET THIS REQUIREMENT. THAT IS ANOTHER DEFICIENCY WE WANTED TO ADDRESS AND WE'LL GO OVER THE ORDINANCE. THERE WERE NO TRIGGERS FOR HIRING OF OFF DUTY OFFICERS. LET'S SAY YOU HAVE A BAR WHERE THERE'S A LOT OF FIGHTS OR THE STUFF THAT WE HAVE SEEN FROM TIME TO TIME IN THE ENTERTAINMENT DISTRICT. THE SMO DIDN'T DEAL WITH THAT. WE THOUGHT THAT WAS A MAJOR DEFICIENCY AS WELL. IF WE'RE GOING TO IMPROVE OUR PLAN WE NEEDED TO HAVE KICKERS WHERE IF INSTANCE HAPPENS, THEN OFF DUTY POLICE OFFICERS NEED TO COME IN, IN ORDER TO MANAGE THE SITUATION. AND ON TOP OF THAT, THERE WERE NO TRAINING REQUIREMENTS. WHEN WE TALKED TO THE SCOTTSDALE POLICE DEPARTMENT AND FIRE DEPARTMENT, ONE THING THEY KEPT TELLING US IF WE COULD FIGURE OUT A WAY TO GET CIVILIAN SECURITY OFFICERS OR BOUNCERS. IF WE COULD TEACH THEM HOW TO DE-ESCALATE SITUATIONS AND TEACH THEM HOW TO IDENTIFY OVERSERVING, THAT KIND OF STUFF. THAT WOULD GO A LONG WAY TO MAKING OUR ESTABLISHMENT SAFER. IN OUR SMO PLANS WE HAVE NO MANDATORY TRAINING REQUIREMENTS. THAT WAS ANOTHER DEFICIENCY. THOSE ARE REALLY THE FIVE MAJOR DEFICIENCIES THAT WE FOUND RIGHT OFF THE BAT AND SAID WE NEED TO FIGURE OUT HOW TO ADDRESS THIS. WITH THOSE DEFICIENCIES WE WENT TO THE FIRE DEPARTMENT OF PLANNING AND SAID HERE ARE THE FIVE AREAS WE THINK NEED TO BE FIXED. LET'S STICK TOGETHER AND DRAFT AN ORDINANCE. I REALLY CAN'T THANK ENOUGH TO THE POLICE DEPARTMENT AND FIRE DEPARTMENT AND ATTORNEY'S OFFICE FOR REALLY SORT OF TAKING THOSE IDEAS FROM THERE AND MAKING A MAJORITY OF THE ORDINANCE THAT WE SEE HERE TONIGHT. SO WE'LL GET INTO THE ORDINANCE. FIRST AND FOREMOST. SO WHO IS SUBJECT TO THIS ORDINANCE? IN THE ORDINANCE UNDER SECTION 2352 AND YOU HAVE A COPY OF THE ORDINANCE DID YOUR COUNCIL PACKET. IT'S APPLICABLE TO ASSEMBLY GROUP. BUSINESSES THAT FALL UNDER THE ASSEMBLY GROUPS. A-2, A-3 OR A-4. THESE ARE YOUR RESTAURANTS, NIGHT CLUBS, POOL HALLS, THAT KIND OF STUFF.

[Time: 01:17:39]

J.P. Twist: IT ALSO DEALS WITH ESTABLISHMENTS THAT HAVE AN OCCUPANCY GREATER THAN 50. IF YOU ARE LESS THAN 50, LET'S SAY YOU ARE GOING TO FALL UNDER THOSE OCCUPANCIES OF THESE ORDINANCES, YOU'RE NOT SUBJECT AS ORDINANCE; RATHER, IF YOU ARE OVER 50 AND YOU FALL UNDER ONE OF THESE GROUPS THAT ARE FOUND ON THE FIRE CODE. IN ADDITION TO THAT, LET'S SAY YOU'RE A RESTAURANT. LET'S SAY YOU FALL UNDER A-3. YOU HAVE TO DO ONE OF THE FOLLOWING THINGS. FIRST AGE VERIFICATION AT THE DOOR. THE SECOND IS PROVIDE A DEEJAY. WE'LL TALK ABOUT THE MEANING OF DISK JOCKEY A LITTLE BIT LATER IN THE PRESENTATION. PROVIDE AN ADULT SERVICE.

THAT IS YOUR STRIP CLUBS, THAT KIND OF STUFF. A TEEN DANCE CENTER, OR IF YOU UTILIZE A PROMOTER. SO IF YOU DO ONE OF THOSE THINGS. LET'S SAY YOU ARE A RESTAURANT AND YOU DON'T CARD THE DOOR, YOU DON'T HAVE THE DEEJAY OR ADULT SERVICE OR ANY OF THAT STUFF, THEN YOU'RE NOT SUBJECT TO THE ORDINANCE. ANYBODY HAVE ANY QUESTIONS ON THAT OR SHOULD I KEEP GOING? ALL RIGHT, GOOD. NEXT, SECTION 23.54. PUBLIC SAFETY PLAN REQUIRED. A LOT OF TIMES IN THIS ORDINANCE, YOU WILL FIND, AND I'LL ADDRESS IT, COMMANDER WILL ADDRESS IT, IN SPEAKING OF DEFICIENCIES, WE WANTED TO COME UP WITH WAYS THAT WE COULD CREATE A BETTER RELATIONSHIP. I LIKE TO USE THE WORD FORCE. THE COMMANDER IS PROBABLY ROLLING HIS EYES RIGHT NOW BUT WE WANTED TO FIGURE OUT A WAY TO MAKE BUSINESSES HAVE A GREATER CONNECTION TO THE POLICE DEPARTMENT AND THE FIRE DEPARTMENT. ONE OF THE WAYS WE DO THAT, WE'LL GO OVER IT MULTIPLE TIMES. ONE OF THE WAYS WE DO THAT IS YOUR PUBLIC SAFETY PLAN IS NOT TRANSFERABLE. LET'S SAY THAT I HAVE AN APPROVED PUBLIC SAFETY PLAN TODAY FOR JP'S BAR BUT I DECIDED TO SELL THE BAR TWO DAYS LATER. THE NEW OWNER HAS TO COME BACK IN AND RESUBMIT A PUBLIC SAFETY PLAN. IT DOESN'T GO WITH THE BUSINESS. THAT'S A WAY FOR US TO MAKE SURE THAT WHOEVER IS IN CONTROL OF THE BUSINESS, IF IT'S SOLD, HAS TO COME BACK IN. THEIR MANAGEMENT HAS TO COME BACK IN AND START THE PROCESS ALL OVER AGAIN. THAT'S THE WAY FOR US TO BUILD THAT RELATIONSHIP BETWEEN BAR OWNERS, NIGHT CLUB OWNERS, AND THE SCOTTSDALE POLICE AND FIRE DEPARTMENT. NEXT, 2355. PUBLIC SAFETY PLAN SUBMITTALS. SO IF YOU ARE, IF YOUR ORDINANCE IS PASSED TONIGHT, THE CITY WILL CREATE A DOCUMENT THAT YOU WILL BE REQUIRED AS A BUSINESS OWN TO COME IN AND SUBMIT ALL THIS INFORMATION. THE MAJORITY OF THESE THAT WE'LL GO OVER ARE FROM THE POLICE AND FIRE DEPARTMENT. THESE ARE THE THINGS THEY WANT TO SEE IN A PUBLIC SAFETY PLAN. THAT INCLUDES A PLAN OF OPERATION, A CROWD MANAGEMENT PLAN. HOURS INCLUDING LISTING OF PEAK HOURS. WE'LL TALK ABOUT PEAK HOURS A LITTLE BIT LATER. SITE BUILDING INFORMATION, A COPY OF THE FLOOR PLAN, CITY APPROVED OCCUPANCY LIMIT WHICH IS VERY IMPORTANT WHEN WE TALK ABOUT RATIOS LATER ON. SAFETY CONDITIONS. PATRON PARKING. PEDESTRIAN TRAFFIC. STAFFING. THE NUMBER OF SECURITY AND OPERATIONS PERSONNEL. A CONTACT PERSON. THIS ONE WAS REALLY IMPORTANT THAT WE HEARD FROM SOME PEOPLE IN THE PUBLIC. CONTACT PERSON AND INFORMATION DESIGNATING WHO CAN RECEIVE COMPLAINTS FROM THE PUBLIC AND/OR THE CITY ON BEHALF OF THE BUSINESS. THAT WILL BE REALLY IMPORTANT TO HAVE IN THERE. EVACUATION ROUTES. THIS IS IMPORTANT FOR OBVIOUS REASONS FOR THE SCOTTSDALE POLICE AND FIRE DEPARTMENT AND ANY ADDITIONAL CRITERIA THAT THE CHIEF OF POLICE DETERMINES LATER ON.

[Time: 01:21:01]

J.P. Twist: ALL RIGHT, SO, SECTION 2357. THIS IS WHAT WE HAVE OFTEN REFERRED TO AS THE MEAT AND POTATOES OR THE HEART OF THE ORDINANCE. THE FIRST. NO PUBLIC SAFETY PLAN SHALL BE APPROVED PURSUANT TO THIS ARTICLE THAT DOES NOT CONTAIN THE FOLLOWING REQUIREMENTS. THE FIRST ONE IS STAFFING OF AT LEAST ONE SECURITY OFFICER PER 50 PATRONS FOR THE FIRST 500 PATRONS AND AT LEAST ONE ADDITIONAL SECURITY OFFICER PER 75 PATRONS THEREAFTER DURING PEAK HOURS. IN ADDITION, FOR BUSINESSES WHERE 60% OR MORE OF TOTAL GROSS SALES ARE FOOD, THE CHIEF OF POLICE MAY AUTHORIZE SUCH A BUSINESS TO HAVE STAFFING OF AT LEAST ONE SECURITY OFFICER PER 75 PATRONS. WE HAD A COUPLE OF BUSINESSES AT OUR FIRST PUBLIC OUTREACH THAT SAID I'M REALLY A RESTAURANT, BUT AFTER 10:00 I CHOSE TO CARD THE DOOR JUST BECAUSE I WANT TO HAVE ONLY PEOPLE THAT ARE OVER 21 IN MY ESTABLISHMENT. EVERYBODY IS SITTING DOWN. I JUST CHOSE AS A BUSINESS OWNER TO LIMIT WHO COMES INTO MY BUSINESS. SO IT

WOULDN'T HAVE MADE SENSE FOR A RESTAURANT UNDER THAT CRITERIA TO HAVE TO HAVE A HIGHER RATIO THAN A CLUB WOULD DOWNTOWN. SO THAT IS THAT AN EXCEPTION IF YOU WILL. IT HAS TO SHOW SERVICE TO THE CHIEF OF POLICE THAT THEY DO MEET THAT 60-40 SPLIT. BUT AGAIN WE WANTED TO HAVE A LITTLE WIGGLE ROOM FOR BUSINESSES THAT CHOSE TO CARD AT THE DOOR, BUT NECESSARILY WOULDN'T OTHERWISE BE SUBJECT TO THE ORDINANCE. THE SECOND PART HERE WHICH IS SOMETHING WE RECENTLY ADDED WHICH IS WHY IT IS IN ITALICS, SOMETHING YOU DIDN'T SEE WHEN WE ORIGINALLY CAME TO COUNCIL. THAT IS WHERE BUSINESSES WHERE 90% OF THE OCCUPANT LOAD DETERMINED BY THE FIRE CHIEF IS BASED ON SEATING AND THE FINDING OF GOOD CAUSE TAKING INTO ACCOUNT THE SIZE, TYPE, AND SAFETY CONDITIONS OF THE VENUE. CHIEF OF POLICE MAY AUTHORIZE SUCH A BUSINESS TO HAVE STAFFING OF ONE SECURITY OFFICER PER 100 PATRONS DURING PEAK HOURS. WE RECEIVED A COMMENT FROM A COUPLE OF BUSINESS OWNERS, BUT ALSO FROM A COUNCILMAN WHO HAD SPOKEN TO A BUSINESS OWNER OR THE GENERAL MANAGER SAYING THAT BECAUSE OF THE HIGH OCCUPANCY THAT IS AT SOME OF THESE RESTAURANTS, THAT HAVING TO HAVE A RATIO OF ONE PER 50 WOULD BE BURDENSOME FOR THEM FINANCIALLY, ESPECIALLY WHEN IF WE'RE LOOKING AT COMPARING A RESTAURANT -TYPE LIKE A GREASEWOOD FLAT, OR A TOMMY Bs OR SOME OF THE STUFF YOU MIGHT SEE AT SCOTTSDALE QUARTER. THE USE ISN'T THE SAME AS THE CLUB THAT IS DOWNTOWN. WHAT'S THE MAJOR DIFFERENCE? WELL, AT A RESTAURANT LIKE GREASEWOOD FLAT, A MAJORITY OF THE PATRONS ARE SITTING WHERE AT A NIGHT CLUB DOWNTOWN, PEOPLE ARE STANDING SHOULDER TO SHOULDER.

[Time: 01:23:39]

J.P. Twist: THE FIRE CODE SEPARATES SEATED OCCUPANCY VERSES STANDING OCCUPANCY. WE PUT THIS IN THERE TO HELP WITH ESTABLISHMENTS. THEY'RE STILL REQUIRED TO HAVE A PUBLIC SAFETY PLAN. THEY'RE STILL REQUIRED TO HAVE CIVILIAN SECURITY OFFICERS DURING PEAK HOURS. IT'S JUST AT A DIFFERENT RATIO OF ONE PER 100 THAN IT WOULD BE IF YOU WERE A CLUB DOWNTOWN. NOW, IT'S NOT AUTOMATIC. A RESTAURANT WOULD HAVE TO COME IN AND MEET WITH THE CHIEF OF POLICE AND THE FIRE CHIEF AND HAVE A CONVERSATION AND SAY I SHOULDN'T BE SUBJECT TO THE ONE FOR 50 BECAUSE MY OCCUPANCY IS 90%. THERE HAS TO BE A CONVERSATION THAT IS NOT AUTOMATIC. THAT IS A MAJOR CHANGE WE HAVE MADE THAT YOU HAVEN'T SEEN YET. SO LET'S TALK A LITTLE BIT ABOUT PEAK HOURS. WHAT DO PEAK HOURS MEAN. IN THE ORDINANCE ON THE DEFINITION PAGE ON THE FRONT, PEAK HOURS MEAN THOSE HOURS LISTED AS BEING A BUSINESS'S PEAK HOURS OF OPERATION. WE HEARD FROM A COUPLE OF PEOPLE DURING OUR PUBLIC OUTREACH THAT THEY WERE CONCERNED THAT A BAR WOULD COME IN AND SAY MY PEAK HOURS ARE REALLY JUST 1:30 TO 2:00 A.M. AND OF COURSE WE WOULD SAY WELL, THERE HAS TO BE A DIALOGUE, RIGHT? WHEN A BUSINESS OWNER COMES IN TO GET AN APPROVED PUBLIC SAFETY PLAN, THEY HAVE TO TALK TO THE POLICE ABOUT IT. IT'S NOT JUST A RUBBER STAMP. BUT WHAT WE DECIDED TO DO TO ALLEVIATE SOME CONCERNS IS WE ADDED THIS. IT IS SECTION 2355. PEAK HOURS. IN THE PROCESS OF A PUBLIC SAFETY APPLICATION, IT SHALL BE A REBUTTAL PRESAGES THAT A BUSINESS'S PEAK HOURS OF OPERATION ARE BETWEEN 9:00 P.M. AND 2:00 A.M. THURSDAYS, FRIDAYS, AND SATURDAYS. NOT SAYING THE PRESUMPTION DON'T APPROVE PUBLIC SAFETY IN THE FORCE OF THIS ARTICLE. SO FROM NOW ON, IF THE COUNCIL DECIDES TO ADOPT THIS, WE WILL ASSUME THAT YOUR PEAK HOURS ARE THESE TIMES. THURSDAY, FRIDAY, SATURDAY, FROM 9:00 P.M. TO 2:00 A.M. AND UNLESS OF COURSE YOU CAN COME IN AND SHOW THE POLICE DEPARTMENT THAT THOSE ACTUALLY ARE NOT YOUR PEAK HOURS AND YOU HAVE TO HAVE A CONVERSATION. SO WE HEARD THOSE CONCERNS FROM THE PUBLIC. THAT IS WHY WE ADDED THAT IN THERE.

[Time: 01:25:46]

J.P. Twist: SPECIAL REQUIREMENTS AS WE CONTINUE. SECTION 2357-B. THAT ALL SECURITY PERSONNEL ATTEND TRAINING PROVIDED BY THE CITY FREE OF CHARGE. THIS IS A MAJOR COMPONENT OF THE PLAN AND COMMANDER WALTHER WILL TALK ABOUT THIS A LITTLE BIT LATER ON. THE TRAINING ALSO. THAT A CIVILIAN SECURITY OFFICER WILL RECEIVE FROM THE POLICE DEPARTMENT AND THE FIRE DEPARTMENT AND IT WILL ONLY BE GOOD FOR TWO YEARS. THAT'S ANOTHER WAY OF US TRYING TO CREATE THAT RELATIONSHIP. CIVILIAN SECURITY OFFICER, GRANTED WE KNOW THAT A LOT OF THEM DON'T STAY IN THE POSITION FOR THAT LONG BUT SOME OF THEM GET PROMOTED TO MANAGERS AND THEY LIKE TO STICK AROUND. NOW IF YOU GO THROUGH THE TRAINING, YOUR CERTIFICATE THAT YOU WILL RECEIVE FROM THE POLICE DEPARTMENT AND THE FIRE DEPARTMENT IS ONLY GOOD FOR TWO YEARS. AND CONTINUING ALL SECURITY PERSONNEL REVIEW AND BE FAMILIAR WITH THE PUBLIC SAFETY PLAN FOR THEIR EMPLOYING BUSINESS, THAT IS A REQUIREMENT. SO, IF I AM BEING HIRED AS A CIVILIAN SECURITY OFFICER, BEFORE I CAN START MY JOB, I HAVE TO, MY EMPLOYER HAS TO SIT DOWN WITH ME AND GO OVER THE PUBLIC SAFETY PLAN, AND I HAVE TO BE, FOR THAT PARTICULAR BUSINESS, I HAVE TO BE FAMILIAR WITH IT, AND YOU'LL HAVE TO SIGN A DOCUMENT THAT STATES THAT YOU REVIEWED IT AND THE EMPLOYER HAS REVIEWED IT WITH YOU AND YOU HAVE TO KEEP THAT ON FILE AND COMMANDER WALTHER WILL TALK A LITTLE BIT ABOUT THAT DURING INSPECTIONS. THAT'S AN IMPORTANT COMPONENT OF THIS. IN ADDITION, THAT A BUSINESS WITH TWO OR MORE PUBLIC SAFETY INCIDENTS WITHIN A ONE WEEK PERIOD OR THREE OR MORE WITHIN A ONE-MONTH PERIOD BE REQUIRED TO OBTAIN THE SERVICES OF A MINIMUM OF TWO OFF DUTY PEACE OFFICERS TO SUPPLEMENT EXISTING PERSONNEL DURING PEAK TIMES. FOR A MINIMUM PERIOD OF THREE MONTHS, OR UNTIL AT LEAST THREE MONTHS, THREE CONSECUTIVE MONTHS HAVE GONE BY WITHOUT TWO OR MORE PUBLIC SAFETY INSTANCES. WHICHEVER PERIOD IS LONGER. THIS ONE IS OBVIOUSLY VERY SIGNIFICANT WHEN WE TALK ABOUT THE HEART OF THE ORDINANCE, SO IF THERE IS A PUBLIC SAFETY INCIDENT AND WE'LL GO TO THE DEFINITION HERE WHICH MEANS AN INSTANCE OF STATE LAW. A SEXUAL ASSAULT WHICH IS SOMETHING WE ADDED AFTER DOING PUBLIC OUTREACH. CONSISTING OF A SEXUAL ASSAULT, A BRAWL OR A DISTURBANCE IN WHICH BODILY INJURIES ARE SUSTAINED BY ANY PERSON OR SUCH INJURIES WOULD BE OBVIOUS TO A REASONABLE PERSON OR TUMULTUOUS CONDUCT OF SUFFICIENT INTENSITY AS TO REQUIRE THE INTERVENTION OF A PEACE OFFICER TO RESTORE NORMAL ORDER OR AN INCIDENT IN WHICH A WEAPON IS BRANDISHED. THAT'S A DEFINITION THAT WE USE. WHAT OUR INTENTION HERE IS THE TYPE OF INSTANCE THAT HAPPENED AT MARTINI RANCH OR THE INCIDENTS THAT WE KNOW THAT HAPPENED ACROSS OUR CITY AND IN THE DOWNTOWN, REAL FIGHTS, REAL ACTS OF VIOLENCE. WE'RE NOT TRYING TO COMBAT WITH THE ORDINANCE TWO GUYS WHO PUSH OR SHOVE EACH OTHER. WHAT WE ARE REALLY TRYING TO COMBAT ARE THE REAL PUBLIC SAFETY INCIDENTS.

[Time: 01:28:39]

IF THOSE OCCUR. IF WE GO BACK TO SUBSECTION B HERE, THAT A BUSINESS WITH TWO OR MORE PUBLIC SAFETY INCIDENTS FOR A ONE-WEEK PERIOD. SO PUBLIC SAFETY BEING SOMEBODY WHO GETS BEATEN VERY BADLY, SOMEBODY GETS SENT TO THE HOSPITAL. VERY SERIOUS FIGHTS. YOU'RE ALLOWED TWO OR MORE INCIDENTS WITHIN A ONE-WEEK PERIOD OR THREE OR MORE WE ARE REQUIRED TO HIRE OFFICERS. IF THIS IS OCCURRING IN YOUR ESTABLISHMENT, YOU HAVE DEMONSTRATED TO THE CITY THAT YOU ARE NOT MANAGING YOUR INTERNAL SECURITY WELL

ENOUGH, AND IN THAT CASE SCOTTSDALE WANTS YOU TO HIRE TWO OFF DUTY POLICE OFFICERS TO GET THINGS UNDER CONTROL. THAT IS THE INTENT THERE. ON SUBSECTION E OF THIS SAY LITTLE BIT STRICTER. THAT IS THAT A BUSINESS WITH ONE OR MORE PUBLIC SAFETY INCIDENTS INVOLVING THE USE OR THREATENED USE OF A DEADLY WEAPON OR DEADLY INSTRUMENT OR A DEATH OR CATASTROPHIC BODILY INJURY BE REQUIRED TO OBTAIN THE SERVICES OF A MINIMUM OF TWO OFF-DUTY POLICE OFFICERS WITHIN THE SAME AMOUNT OF TIME. WE ARE SEPARATING AMOUNTS. WE HAVE THE TWO BIG BAD FIGHTS, THAT KIND OF STUFF. TWO IN A WEEK, THREE IN A MONTH. IF ANY INSTANCE WHERE A WEAPON IS USED OR SOMEBODY IS KILLED OR IF THERE IS CATASTROPHIC BODILY INJURY, WE ARE HAVING IS A ZERO TOLERANCE THAT SAYS WE JUST DON'T LET THAT HAPPEN ONE TIME. IF SOMEBODY PULLS OUT A GUN OR A KNIFE ACCORDING TO THE CITY OF SCOTTSDALE AND THE POLICE DEPARTMENT, YOU HAVE DEMONSTRATED THAT YOU HAVE AN UNSAFE SITUATION THAT WE NEED PEACE OFFICERS TO COME IN TO HELP YOU MANAGE THAT PROBLEM. THERE ARE TWO VERY DIFFERENT THINGS. WE HAVE THE FIGHTS AND THAT KIND OF STUFF, BUT THEN WE HAVE THE THREATENED USE OF A WEAPON. WE SEGREGATE THOSE OUT. AND THEN FINALLY, THAT ALL SECURITY PERSONNEL WEAR AN APPROPRIATELY-STYLED SHIRT OR JACKET WITH THE WORD SECURITY ON THE FRONT AND BACK IN THREE-INCH LETTERING THAT IS CLEARLY VISIBLE. THIS IS SOMETHING WE HAVE HAD IN THE SMO PLAN. THE STATE ALSO MANDATES IT IS YOU GET A GUARD CARD WHICH WE MAY TALK ABOUT LATER. YOU'RE REQUIRED TO HAVE THREE-INCH LETTERING. THIS IS IMPORTANT FOR A COUPLE OF DIFFERENT REASONS. WE WANT PATRONS TO BE ABLE TO CLEARLY IDENTIFY WHO IS THE SECURITY PERSONNEL IN THE ESTABLISHMENT. THEY CAN REPORT PROBLEMS. BUT THEN ALSO PEOPLE WHO FEEL A LITTLE BIT SAFER. ALSO IN THE ALTERNATIVE, PEOPLE WHO MAY BE CONSIDERING STARTING A FIGHT OR STARTING A PROBLEM WILL MAYBE THINK TWICE IF THEY CAN CLEARLY SEE WHO IS SECURITY AND WHO'S NOT. IN ADDITION TO THAT, THIS IS ALSO IMPORTANT TO THE POLICE DEPARTMENT BECAUSE IF THEY HAVE TO RESPOND TO A SITUATION INSIDE A CLUB, A BAR, A NIGHT CLUB, THAT THEY CAN NOW CLEARLY IDENTIFY WHO IS RESPONSIBLE FOR SECURING THE ESTABLISHMENT AND MAKE POINT OF CONTACT. THAT'S ONE OF THE THREE REASONS.

[Time: 01:26:20]

J.P. Twist: CONTINUING DURATION AND RENEWAL. PUBLIC SAFETY PLANNED BY THE CHIEF OF POLICE IS ONLY VALID FOR A PERIOD OF TWO YEARS. WE TALKED ABOUT THAT. THAT GOES TO THAT RELATIONSHIP. IF THERE ARE NO CHANGES TO YOUR SECURITY PLAN, YOU STILL HAVE TO COME BACK IN AND HAVE THAT CONVERSATION WITH THE POLICE DEPARTMENT. WE WANT THAT RELATIONSHIP TO CONTINUE ON BECAUSE THE POLICE THINK THAT IS VERY IMPORTANT. AT THE VERY LEAST. WE'RE HOPING WE HAVE AN ONGOING RELATIONSHIP, BUT AT THE VERY LEAST NOW WE ARE MAKING SURE THAT EVERY TWO YEARS ESTABLISHMENTS HAVE TO COME BACK IN AND TALK TO THE POLICE DEPARTMENT. INFORMATION UPDATE. THIS ALSO GOES TO THAT RELATIONSHIP. ALL BUSINESSES ARE REQUIRED TO HAVE A PUBLIC SAFETY PLAN SHALL GIVE WRITTEN NOTICE TO THE CHIEF OF POLICE IN ANY MATERIAL CHANGES AND INFORMATION SUBMITTED IN CONNECTION WITH AN APPROVED PUBLIC SAFETY PLAN WITHIN 30 DAYS. IF YOU REMEMBER ON THE FORM WE TALKED ABOUT THAT THE FIRE DEPARTMENT AND POLICE DEPARTMENT HELPED US COME WITH THAT CRITERIA. YOU CAME IN TO GET YOUR PERMIT FOR WHATEVER REASON. YOU HAVE TO SUBMIT THIS INFORMATION. IF YOU CHANGE THE INFORMATION INCLUDING YOUR LISTING OF PEAK HOURS. IF YOU CHANGE YOUR MANAGEMENT PERSONNEL. WHO CAN RECEIVE COMPLAINTS FROM THE PUBLIC. YOU HAVE 30 DAYS TO SUBMIT THAT NEW INFORMATION TO THE CITY OF SCOTTSDALE. 30 DAYS. THAT GOES TO THAT RELATIONSHIP. WE WANT PLACES TO BE THINKING OF PUBLIC SAFETY. WE WANT TO BE PROACTIVE. THAT'S AN

IMPORTANT PART OF THIS. THAT YOU'RE GOING TO MAKE ANY CHANGES TO YOUR PUBLIC SAFETY PLAN, WE WANT TO KNOW. AND ENFORCEMENT. MAYOR, WITH YOUR PERMISSION I'LL HAVE THE COMMANDER COME UP AND RUN THROUGH THE ENFORCEMENT PARTS OF THE ORDINANCE.

Mayor Lane: CERTAINLY. THANK YOU, MR. TWIST. WELCOME, COMMANDER.

[Time: 01:32:58]

Police Commander Jeff Walther: MAYOR, COUNCIL. THANK YOU. IT'S ACTUALLY GREAT TO BE STANDING BEFORE YOU. IT'S BEEN A LONG ROAD OVER THE LAST SIX OR SEVEN MONTHS. IT'S GREAT TO BE BEFORE THE ENTIRE BODY. WE HAVE SPOKEN INDIVIDUALLY ON OCCASION AND ANSWERED SOME QUESTIONS. IT'S GREAT TO BE BEFORE YOU. BEFORE I BEGIN WITH MY COMMENTS ON THE ENFORCEMENT PORTION, I WOULD BE REMISS IF I DIDN'T RECOGNIZE MY FELLOW ARCHITECTS IN THE DRAFTING OF THIS ORDINANCE AND J.P. Twist, LUIS SANTAELLA AND CHIEF JIM FORD. BUT THE REALITY IS THIS IS A MUCH MORE HOLISTIC APPROACH TO THIS. I SEE A NUMBER OF OUR OTHER ARCHITECTS AND PARTNER S IN THE DRAFTING OF THIS ORDINANCE AND A NUMBER OF THE RESIDENTS THAT WE HAD CONVERSATIONS WITH AT THE PUBLIC SAFETY OUTREACH MEETINGS AND A NUMBER OF OUR BUSINESS OWNERS WHOM ALSO PARTICIPATED IN THIS VERY HOLISTIC APPROACH. YOU'LL HEAR A COUPLE OF DIFFERENT THINGS FROM ME IN THIS. THE TWO MOST IMPORTANT ARE THAT WE REALLY WANTED TO STRIVE FOR SAFETY, NUMBER ONE, AND BALANCE, NUMBER TWO. WE FEEL WE HAVE ACHIEVED THAT SAFETY AND THAT BALANCE WHICH IS THE PRIMARY REASON WHY THE POLICE DEPARTMENT IS IN FULL SUPPORT OF THE PUBLIC SAFETY PLAN ORDINANCE. LET'S GET TO THAT ENFORCEMENT. AND WHAT DOES THAT LOOK LIKE FROM OUR PERSPECTIVE? LET'S TALK ABOUT 2361. GROUNDS FOR FAILURE TO COMPLY WITH THE TERM AND CONDITIONS ON THE PUBLIC SAFETY PLAN ON TWO OR MORE OCCASIONS WITHIN A ONE-YEAR PERIOD OF TIME. MAY CONSTITUTE ON THE PUBLIC SAFETY PLAN APPROVED TO BE THIS ARTICLE. OBVIOUSLY IF WE GOT TO THAT POINT, THERE WAS GOING TO BE A LOT OF DIALOGUE, A LOT OF CONVERSATION WITH OUR BUSINESS OWNERS, OUR GENERAL MANAGERS, TO DISCUSS THIS BEFORE WE GET TO THAT POINT. THIS IS WHAT JP TALKED ABOUT. HE TALKED ABOUT FORGING A RELATIONSHIP. MY WORD IS FORGED. IT REALLY IS ABOUT FORGING QUALITY RELATIONSHIPS AND WE HAVE THOSE QUALITY RELATIONSHIP S WITH A NUMBER OF OUR BUSINESS OWNERS ALREADY. THIS GIVES US AN OPPORTUNITY TO DO AN EVERY TWO-YEAR CHECK-IN WHICH IS SOMETHING THAT IS VITALLY IMPORTANT TO US. IF WE GET TO THIS POINT, WE HAVE IS HAD A LOT OF CONVERSATION ABOUT IT. 2365. REALLY RELATES TO ONSITE RECORDS REQUIRED IN THE INSPECTIONS. EACH BUSINESS WILL BE REQUIRED TO HAVE AN APPROVED PUBLIC SAFETY PLAN AND SHALL MAINTAIN ON SITE AN IMPORTANT PART OF THE INSPECTION COMPONENT. A CURRENT COPY OF THE PLAN, PROOF THAT ALL OF THEIR SECURITY PERSONNEL HAVE COMPLETED THE TRAINING, AND THAT THEY REVIEWED, AND HAVE ACTUAL LY DOCUMENTED AND REVIEWED THE PUBLIC THAT THE SAFETY PERSONNEL HAVE REVIEWED THAT TRAINING. AND THEN AGAIN, AN IMPORTANT COMPONENT OF THAT INSPECTION IS THAT THOSE RECORDS BE MADE AVAILABLE TO THE POLICE DEPARTMENT AND THE FIRE DEPARTMENT UPON REQUEST. DID I SKIP ONE? OKAY, THE ONSITE RECORDS. THE NEXT, AND THAT IS AGAIN PART OF THAT COMPONENT. THIS IS IN ADDITION. ALL SECURITY PERSONNEL WOULD HAVE COMPLETED THE TRAINING REQUIRED BY THIS ARTICLE. PROOF THAT THEY HAVE ACTUALLY ATTENDED THAT TRAINING AND THAT THAT PROOF WHICH IS GOING TO BE NOTHING MORE THAN A CARD THAT SAYS THEY HAVE ACTUALLY ATTENDED THAT TRAINING AND IT WOULD BE AVAILABLE ON DEMAND. PENALTIES. FIRST VIOLATION OF THIS ARTICLE IS CIVIL OFFENSE. NOT PUNISHABLE BY A FINE NOT LESS THAN \$500. A SECOND OR SUBSEQUENT VIOLATION OF THE

ARTICLE WITHIN ONE YEAR WHICH IS IMPORTANT, OF A CONVICTION OF A FIRST VIOLATION IS A CLASS ONE MISDEMEANOR AND SHALL BE PUNISHED IN ADDITION TO ANY OTHER PENALTIES THAT MAY BE LEVELED BY THE ARIZONA DEPARTMENT OF LIQUOR LICENSE. NOT LESS THAN \$1,000 AND WON'T BE ABLE TO BE SUSPENDED BY THE COURT.

[Time: 01:36:48]

WE HAVE HAD A LOT OF DISCUSSIONS RELATED TO MANDATORY REPORTING. THIS IS AN ADDITION THAT WE ADDED TO THE ORDINANCE BECAUSE WE WANT TO MAKE SURE THAT ALTHOUGH WE HAVE GREAT RELATIONSHIPS. WE WANT TO MAKE SURE THIS IS THAT REQUIREMENT THAT THINGS DON'T SLIP THROUGH THE CRACKS SO WE ADDED THIS AFTER A LOT OF DISCUSSION. ANY BUSINESS REGULATED BY THIS ARTICLE SHALL IMMEDIATELY REPORT TO THE SCOTTSDALE POLICE DEPARTMENT WHICH IS KEY. ANY ACT CONSTITUTING A PUBLIC SAFETY INCIDENT THAT OCCURS ON ITS PREMISES LOCATED IN THE CITY OF SCOTTSDALE. THERE'S A FINE STRUCTURE FOR VIOLATING THIS PARTICULAR SECTION. AND THAT THE VIOLATION FOR THE FIRST TIME OFFENSE IS A THOUSAND DOLLARS AND THE SECOND OR SUBSEQUENT VIOLATION WITHIN ONE YEAR IS A \$2000 FINE FOR THAT VIOLATION. AND J.P. MENTIONED THIS EARLIER. ANOTHER DEFINITION THAT WE ADDED IS A DEFINITION OF A DISK JOCKEY, AGAIN FOR OUR PUBLIC OUTREACH. WE GOT A LOT OF QUESTIONS ABOUT KARAOKE. DISK JOCKEY DOES NOT INCLUDE KARAOKE AND THIS GIVES YOU A BASIC RUNDOWN OF THE DISK JOCKEY DEFINITION AND IT'S ABOUT ACTIVE PARTICIPATION IN THE CLUB SETTING OR BAR SETTING. THIS PARTICULAR SECTION, 2371 IS REALLY ABOUT PEACE OFFICERS, STATE REGISTERED SECURITY GUARDS AND TRAINING EXCEPTION. ALL ARIZONA POST CERTIFIED PEACE OFFICERS AND SECURITY PERSONNEL WHO HAD A CURRENT, WHAT WE CALLED GUARD CARD WHO HAVE BEEN THROUGH THE ARIZONA DEPARTMENT OF PUBLIC SAFETY GUARD CARD TRAINING. THEIR TRAINING IS VERY ADEQUATE. AND IT WOULD EXEMPT THOSE HOLDING A GUARD CARD FOR SOME OF THIS. THE TRAINING REQUIREMENT. SO WHAT DOES OUR TRAINING LOOK LIKE ? BETWEEN THE POLICE DEPARTMENT AND THE FIRE DEPARTMENT, THE TRAINING THAT WE'RE GOING TO OFFER FREE OF CHARGE THAT IS GOING TO BE A REQUIREMENT OF THIS PLAN IS 90 MINUTES FROM THE POLICE DEPARTMENT AND 90 MINUTES FROM THE FIRE DEPARTMENT. I'LL LET CHIEF JIM FORD TALK ABOUT THE 90 MINUTES FOR THE FIRE DEPARTMENT.

[Time: 01:39:05]

ON THE POLICE DEPARTMENT SIDE, WE HAVE SOME OBJECTIVES, AND IT'S REDUCING VIOLENCE. IT IS THE COLLABORATION AND THE RELATIONSHIP-FORGING WITH THE BUSINESSES. WE WANT TO ENCOURAGE AND PROMOTE COMPLIANCE. WE WANT TO HAVE THAT OPPORTUNITY TO HAVE THAT DISCUSSION. WE WANT TO HAVE THAT OPPORTUNITY TO HAVE THE TRAINING AND DEVELOP THOSE POSITIVE WORKING RELATIONSHIPS. OUR TRAINING, OUR 90-MINUTE TRAINING WILL SURROUND LEGAL ISSUES. WHAT YOU CAN AND CAN'T DO UNDER THE LAW, UNDER THE LIQUOR LAWS. LIQUOR LAW COMPLIANCE. VERBAL DE-ESCALATION. WE RECEIVED SOME QUESTIONS RELATED TO WHAT KIND OF TRAINING WAS THE SCOTTSDALE POLICE DEPARTMENT AND THEREFORE THE CITY OF SCOTTSDALE GOING TO OFFER. WE ARE NOT GOING TO BE OFFERING DEFENSIVE TACTICS OR ANYTHING LIKE THAT. THIS IS ALL ABOUT VERBAL DE-ESCALATION. WE CALL IT VERBAL JUDO. WE WANT TO CHANGE SOME OF THAT MINDSET. WE WANT TO CHANGE THE MINDSET TO BE MORE CUSTOMER -SERVICE FRIENDLY FOR OUR SECURITY STAFF AND OUR ESTABLISHMENTS TO BE MORE CUSTOMER SERVICE FRIENDLY. IF WE DISCUSS THAT IN TERMS OF UNDERSTANDING THAT THEY ARE THE FRONT LINE SERVICE MECHANISM,

THE OWNER OF ANY CLUB OR ESTABLISHMENT, AND KIND OF SET THAT MINDSET THAT WE PREFER THAT MORE CUSTOMER SERVICE ORIENTED. IF THERE IS AN ISSUE, IDENTIFY THE ISSUE. CALL US. WE HAVE A GREAT RESPONSE TIME, AND WE'LL DEAL WITH THE ISSUE IF IT ESCALATES. AND IT'S REALLY ABOUT CHANGING THAT MINDSET. IF YOU DON'T HAVE ANY QUESTIONS FOR ME AT THE MOMENT, I'LL ALLOW CHIEF JIM FORD TO COME UP AND TALK ABOUT THE FIRE DEPARTMENT TRAINING PORTION.

Mayor Lane: THANK YOU. THERE ARE NONE RIGHT NOW.

Commander Walther: THANK YOU.

Mayor Lane: WELCOME, CHIEF.

[Time: 01:40:51]

Deputy Fire Chief and Fire Marshall Jim Ford: GOOD EVENING, MAYOR, MEMBERS OF THE COUNCIL. I'M JIM FORD, DEPUTY CHIEF FIRE MARSHALL FOR THE CITY. JUST QUICKLY I WOULD LIKE TO GO THROUGH WHAT THE FIRE DEPARTMENT PORTION OF THIS TRAINING IS. AS COMMANDER WALTHER TALKED ABOUT, THIS COULD BE A THREE-HOUR CLASS. WE'RE GOING TO SPLIT THAT HALF AND HALF BETWEEN POLICE AND FIRE. ON THE FIRE SIDE OF IT, I WENT THE WRONG WAY. THERE WE GO.

THE CORE COMPETENCY WAS OBTAINED USING NATIONAL STANDARDS. THE NATIONAL ASSOCIATION OF STATE FIRE MARSHALLS HAVE HAD SOME CLASSES THAT HAVE BEEN DEVELOPED OVER THE LAST FIVE OR SIX YEARS. WE TOOK THAT AND WE MODIFIED THAT CORE COMPETENCY AND CORE CLASS FOR SCOTTSDALE. OUR ORDINANCES ARE A LITTLE BIT DIFFERENT AND OUR EXPERIENCES ARE A BIT DIFFERENT SO WE PUT THAT IN THIS CLASS. UPON COMPLETION, OUR GOAL IS TO HAVE THEM HAVE THE KNOWLEDGE AND SKILLS AND ABILITY TO CREATE A SAFE ENVIRONMENT FOR OUR FOLKS, FOR THEM AND THE FOLKS THAT OCCUPY OUR FACILITY? WHY DID WE THINK THIS TRAINING WAS IMPORTANT? AS JP TALKED ABOUT, THIS IS OUR MAIN COMPONENT FOR US ON THE FIRE SIDE. WE KNOW WE ARE GOING TO HAVE INSTANCES AND SITUATIONS WHERE WE ARE GOING TO CONTINUE TO RESPOND TO THESE TYPES OF FACILITIES. WE WANT TO REDUCE THE CHANCE OF HAVING AN INCIDENT. WE WANT TO MINIMIZE THE IMPACT OF AN INCIDENT WHEN IT DOES OCCUR. WE WANT TO HAVE A SAFE AND EFFECTIVE HANDLING OF THE INCIDENT UNTIL WE CAN GET THERE AND TAKE OVER AND CONTROL THAT EMERGENCY SCENE. THIS DOESN'T TALK ABOUT RESPONSES. THAT'S A WHOLE OTHER DISCUSSION ON THE RESPONSE AS WE ARE TRYING TO GET AHEAD OF THIS AND GIVE A LITTLE BIT OF TRAINING UP FRONT TO THE FOLKS THAT ARE IN THE BAR TO HANDLE THE INITIAL SITUATION. WE'LL TAKE OVER ONCE WE GET THERE. AND IT IS GOING TO COVER A FEW THINGS, THE COMMON INDUSTRY IN OUR FIRE CODES HERE IN SCOTTSDALE. COMMON CODE VIOLATIONS. WE'RE GOING TO SHOW THEM WHAT WE SEE WHEN WE GO OUT FOR THE TARGET INSPECTIONS AND THE NIGHT INSPECTIONS, THE OCCUPANCY INSPECTIONS. WE'RE GOING TO REVIEW OUTCOMES AND HISTORICAL INSTANCES. THERE HAVE BEEN SOME SIGNIFICANT ONES AROUND THE WORLD AND COUNTRY AND SCOTTSDALE AND SAY THAT IS WHAT WE ARE TRYING TO PREVENT. WE'RE GOING TO TRY AND CUT THAT OFF A LITTLE BIT. WHAT THEIR RESPONSIBILITIES ARE AND WE'RE GOING TO REVIEW WITH THEM THE TYPICAL TYPES OF PROTECTION THEY HAVE WHETHER IT'S A SPRINKLER OR A NONSPRINKLER. WHAT THEY CAN HAVE AT THEIR READY TO HELP HANDLE AN INCIDENT LIKE THAT. SO WITH THAT, I'M GOING TO TURN IT QUICKLY BACK OVER TO J.P. AND WE'LL BE HAPPY TO ANSWER ANY QUESTIONS THAT YOU HAVE. THANK YOU.



[Time: 01:43:15]

J.P. Twist: THANK YOU, CHIEF. BEFORE WE TURN IT OVER TO QUESTIONS, I JUST WANTED TO REITERATE THAT I KNOW THAT WE HAVE TALKED ABOUT THIS BEFORE, BUT THE TRAINING IS SO IMPORTANT. ANY CIVILIAN SECURITY OFFICER IF THIS ORDINANCE IS PASSED THAT WANTS TO WORK IN SCOTTSDALE AT A BAR OR NIGHT CLUB WILL BE REQUIRED TO GO THROUGH THIS TRAINING AT THE SCOTTSDALE POLICE DEPARTMENT. AN ABSOLUTE REQUIREMENT. BECAUSE WE HAVE BEEN PROVIDING IT FOR FREE, WE HAVE ACTUALLY HEARD FROM A NUMBER OF BUSINESSES DURING OUR EXTENSIVE PUBLIC OUTREACH THAT THEY ARE PLANNING GOING ABOVE AND BEYOND THE REQUIREMENT OF HAVING THEIR SECURITY OFFICERS GO THROUGH THE TRAINING. THEY WERE GOING TO SEND THEIR MANAGERS AND SERVERS AND OTHER PEOPLE THROUGH THE TRAINING BECAUSE THEY SEE THE VALUE. I WANT TO ADD THAT.

Mayor Lane: THANK YOU. WE'RE GOING TO HEAR FROM SOME PUBLIC TESTIMONY FIRST AND THEN WE'LL GO TO THE QUESTIONS. A FEW CARDS TO SPEAK FOR THIS SUBJECT. WE'LL START WITH NANCY CANTOR. AND IT WILL BE FOLLOWED BY MICHAEL AUERBACH.

[Time: 01:44:27]

Nancy Cantor: TWO YEARS AGO, SCOTTSDALE COALITION STARTED LOOKING INTO SOME OF THE ISSUES AROUND THE BARS AND OUR LIQUOR LICENSE POLICIES. CHRISTMAS, 2011, I SPENT A GREAT DEAL OF TIME CORRESPONDING WITH SERGEANT WEST. THE INVESTIGATOR FOR THE STATE LIQUOR BOARDS. IT'S BEEN VERY INTERESTING. WE LEARNED A LOT. HE'S BEEN MOST HELPFUL IN HELPING ME AND COALITION MEMBERS UNDERSTAND WHAT CAN BE DONE, WHAT SHOULD BE DONE AND HOW WE CAN MAKE IT HAPPEN WITHOUT ALWAYS HAVING TO GO TO ORDINANCE. HE ALONG WITH DETECTIVE JOHN MILLER WHO IS OUR INVESTIGATOR HERE IN SCOTTSDALE HAS BEEN A TREMENDOUS HELP, ALL THE WAY AROUND. WE HAVE HAD MEETINGS WITH THEM. WE HAVE HAD MEETINGS WITH OTHER POLICE OFFICERS. IT'S JUST BEEN VERY GOOD IN HELPING US ALLAY THE FEARS. HAVING SAID THAT, THERE IS AN AWFUL LOT THAT THE COMMUNITY WAS CONCERNED ABOUT. IT'S IN THERE. THERE, I'M SURE, COULD BE MORE. BUT TIME WILL TELL IF IT'S NEEDED. WE'RE HAPPY AT THIS POINT. THE ONLY THING WE WOULD LIKE IS TO MAKE SURE THAT GIVEN THE PERIOD OF TIME WHETHER IT'S THE TWO-YEAR PERIOD OF TIME, A REPORT IS MADE BACK TO COUNCIL TO SEE HOW EFFECTIVE IT HAS BEEN. IT'S REALLY IMPORTANT TO DO THAT. AFTER ALL, WE DO HAVE THOSE LIQUOR LICENSE POLICIES THAT HAVEN'T BEEN UPDATED SINCE 1997. STILL SITTING THERE AND IT'S REALLY CRITICAL TO THE GENERAL HOUSEKEEPING OF GOVERNMENT TO MAKE SURE THINGS ARE REVIEWED PERIODICALLY. HAVING SAID THAT, I THINK WE'LL STOP THERE.

Mayor Lane: THANK YOU. NEXT IS MICHAEL AUERBACH FOLLOWED BY CAROLE HUBER.

[Time: 01:45:31]

Michael Auerbach: GOOD EVENING, MR. MAYOR, MEMBERS OF THE CITY COUNCIL. MY NAME IS MICHAEL, AND I RESIDE AT 4281 NORTH 81<sup>ST</sup> STREET. I WISH TO EXPRESS MY SUPPORT FOR THE PUBLIC SAFETY PLAN CURRENTLY BEING DISCUSSED. I HAVE ATTENDED SEVERAL OF THE PUBLIC FORUMS WHERE THE LANGUAGE OF THIS PROPOSED ORDINANCE WAS BEING CONSIDERED. AFTER MUCH DEBATE AND ADDITIONS TO THE DRAFT PROPOSAL, I BELIEVE THE FINAL LANGUAGE PRESENTED HERE IS SUFFICIENT TO ENSURE THESE UNCOMMON AND EXCEPTIONAL ACTS DO NOT OCCUR IN THE FUTURE.

WHILE, IT IS IMPOSSIBLE TO STOP ALL ACTS OF VIOLENCE IN ALL CIRCUMSTANCES, THE ACTION STEPS OUTLINED IN THE PSP ARE REASONABLE AND ENFORCEABLE. STRIKING A BALANCE BETWEEN BUSINESS OWNERS WHO PROVIDE ENTERTAINMENT AT LARGE TO OUR COMMUNITY AND SIMULTANEOUSLY ENSURING PUBLIC SAFETY IS AN ACHIEVABLE GOAL. I WOULD LIKE TO POINT OUT THAT THE ESSENCE OF THIS PROPOSAL STATES, IT SHALL BE UNLAWFUL FOR ANY BUSINESS REQUIRED BY THIS ARTICLE TO HAVE A PUBLIC SAFETY PLAN, TO OPERATE WITHOUT A CITY APPROVED PUBLIC SAFETY PLAN. IT SHALL BE UNLAWFUL FOR A BUSINESS TO FAIL, TO FOLLOW THE REQUIREMENTS OF THE CITY APPROVED PUBLIC SAFETY PLAN. THE GOVERNMENT'S JOB IS NOT TO MAKE THIS CITY SO UNFRIENDLY TO BUSINESS THAT WE DISCOURAGE ENTREPRENEURSHIP AND INVASION. AS WAS MENTIONED DURING THE FORUMS I ATTENDED, IT IS IN EACH SPECIFIC BAR OR RESTAURANT OWNER'S INTERESTS, TO HAVE THIS SAFETY PLAN UPDATED AND IN PLACE. THE REASON BEING IS BECAUSE FEW THINGS ARE WORSE FOR A PROFITABLE ENDEAVOR THAN TO RECEIVE NEGATIVE PUBLICITY. THEREFORE, IT IS IN EACH OWNER'S BEST CONCERN TO HAVE A DIALOGUE WITH THE CITY OFFICIALS SO AS TO ASSIST IN AVOIDING POTENTIAL CONFLICTS THAT MAY PRESENT THEMSELVES IN THE FUTURE. CONSIDERABLE TIME AND EFFORT HAS BEEN PUT INTO THIS PROPOSED CITY ORDINANCE. BY BOTH STAFF AND THE STAKE HOLDERS. MOST PROBLEMS CAN BE SOLVED ONCE IDENTIFIED AND ADDRESSED WITH CIVIL CONSTRUCTIVE DISCUSSION. IT IS IMPORTANT TO GET OUT IN FRONT OF THE CURVE ON THIS TO PROTECT BOTH THE RIGHTS AND RESPONSIBILITIES OF THE CITY AND SMALL BUSINESS OWNERS ALIKE. I URGE A YEA VOTE. THANK YOU.

Mayor Lane: THANK YOU. NEXT IS, I BELIEVE IT'S CAROLE HUBER FOLLOWED BY JOE DIES.

[Time: 01:49:30]

Carole Huber: MAYOR LANE, CITY COUNCIL. MY NAME IS CAROLE HUBER. I RESIDE AT 5201 NORTH WOODMERE FAIRWAY IN SCOTTSDALE. MY CONCERNS ARE AND I DO WANT TO COMMEND YOU, THE CITY STAFF, THE POLICE AND THE FIRE FOR THIS ORDINANCE. I THINK IT IS VERY, VERY GOOD. MY HOPE IS THAT IT IS ENFORCED TO THE LETTER OF THE LAW. I DO HAVE OTHER CONCERNS THAT GO A LITTLE BIT BEYOND WHAT HAPPENS IN THE CONFINES OF THESE BUSINESSES. WHAT GOES ON IN CONFINES OF THESE BUSINESSES IN OVERSERVING THAT SO PEOPLE LEAVE PERHAPS THE CONFINES OF THE BUILDING. WE'RE TAKING CARE OF THAT. BUT THEY GET IN THEIR CARS AND THEN THEY BECOME A PROBLEM TO MY NEIGHBORHOOD AND PERHAPS OTHERS. WE ALSO, EVEN THOUGH WE ARE NORTH HAVE WRESTLED WITH THE NOISE. THE NOISE LEVEL THAT COMES FROM THIS AREA AND THESE CLUBS. I'M SURE IT'S BEEN DISCUSSED. WE WERE NOT AWARE OF SOME OF THE MEETINGS THAT YOU HAD SO WE HAVE NOT ATTENDED THOSE. LET ME JUST TELL YOU VERY QUICKLY WHAT MY NEIGHBORHOOD HAS ENDURED OVER THE YEARS AND WITH INCREASING DAMAGE TO PROPERTY LATELY. WE HAVE HAD AT LEAST SIX TO EIGHT DRIVERS DRUNK IN OUR NEIGHBORHOOD WHICH HAS NO THROUGH STREET. THE LAST TWO TIMES, I WOULD LIKE TO DESCRIBE TO YOU. THE SECOND TO LAST TIME WAS THE PEOPLE THAT LIVE RIGHT NEXT DOOR TO ME. WHEN A WOMAN MOWED DOWN A FULLY MATURE SAHUARO, WENT OVER A DECORATIVE BOULDER, THROUGH A WALL, AND CAME WITHIN THAT CLOSE TO THE HOUSE AND THE DOOR OF THE HOUSE. THE LAST ONE, A DRIVER CAME DOWN THE STREET, WENT OVER A NEIGHBOR'S FENCE AND THEY HAVE HAD THIS IN THEIR YARD AT LEAST THREE, IF NOT FOUR TIMES. ONCE IT WAS AN OVERTURNED CAR ON ITS ROOF. BUT THIS DRIVER WENT THROUGH THE FRONT FENCE, THROUGH THE SIDE FENCE, MOWED DOWN A UTILITY POLE WHICH HAD TO BE REPLACED AND IN AND THROUGH THE BUSHES OF THE HOUSE NEXT DOOR. HE WAS SURE HE LIVED IN THE NEIGHBORHOOD, WHICH HE DID NOT.

MY CONCERN. I AM THRILLED WITH WHAT YOU HAVE DONE HERE. I AM THRILLED THAT IT MAY MEAN WE WILL NOT HAVE ANOTHER STABBING WHEREBY A YOUNG PERSON DIES AND A STABBING SINCE THEN, BUT I WOULD LIKE YOU TO CONSIDER WHAT HAPPENS AFTER THESE PEOPLE LEAVE THE ESTABLISHMENT, GET IN THEIR CARS, OVERSERVED AND DRUNK. AND ALSO I DO UNDERSTAND THAT THERE HAVE BEEN SOME ORDINANCES IN PLACE THAT HAVEN'T ALWAYS BEEN ENFORCED. SO I WOULD LIKE TO ASK YOU, LADIES AND GENTLEMEN, REGARDING THIS ONE THAT YOU'RE CONSIDERING NOW. IS IT GOING TO BE STRICTLY ENFORCED TO ALL BUSINESSES OF THIS SORT, OR IS THIS JUST ANOTHER PAPER TIGER. THANK YOU.

Mayor Lane: THANK YOU. NEXT AND FINAL IS JOE DIES.

[Time: 01:43:38]

Joe Dies: GOOD EVENING MAYOR LANE AND MEMBERS OF THE COUNCIL. MY NAME IS JOE. I'M THE GENERAL MANAGERS OF BARS AND NIGHTLIFE AT THE W HOTEL HERE IN SCOTTSDALE. I AM ALSO THE NEWLY ELECTED PRESIDENT OF THE SCOTTSDALE DOWNTOWN AND ENTERTAINMENT DISTRICT ASSOCIATION AND I AM HERE TO SPEAK ON BEHALF OF THE ASSOCIATION. WE APPRECIATE THE TIME THAT THE COUNCIL AND THE CITY HAS PUT INTO THIS ISSUE. THE SAFETY OF OUR PATRONS IS OUR NUMBER ONE PRIORITY. WE THINK WE DO A GOOD JOB, BUT WE DO UNDERSTAND THE COUNCIL'S CONCERN REGARDING THIS ISSUE AND WE SUPPORT THIS ORDINANCE. THANK YOU.

Mayor Lane: THANK YOU VERY MUCH. THAT COMPLETES THE PUBLIC TESTIMONY. AND WE WILL HAVE SOME CONVERSATIONS HERE. BUT I WOULD LIKE TO START OUT BY SAYING A COUPLE OF THINGS IN RESPONSE TO SOME OF THE POINTS THAT WERE MADE BY SOME OF THE TESTIMONY THAT WAS GIVEN. BEFORE I GET TO THAT, I WANT TO REINFORCE THE FACT THAT THIS HAS BEEN A SIGNIFICANT COLLABORATIVE EFFORT BETWEEN THE PROFESSIONAL STAFF HERE IN THE CITY, WHETHER IT BE POLICE, FIRE, CODE ENFORCEMENT OR LEGAL TO BE ABLE TO PUT TOGETHER AN ORDINANCE THAT WOULD BE EFFECTIVE. WE DON'T WANT IT TO BE A PAPER TIGER OR SOMETHING EITHER. WE WANT SOMETHING THAT IS NOT ONLY ENFORCEABLE BUT IS UNDERSTOOD BY THE FOLKS IT WILL BE ENFORCED UPON AND WE WANT THEM ON BOARD FOR THE RECOGNITION THAT THIS IS SOMETHING THAT IS VALUABLE FOR EVERYONE IN THE COMMUNITY. AND CERTAINLY THE PROPERTY OWNERS AND THE BUSINESS OWNERS AS WELL AS THE COMMUNITY RESIDENTS. THIS IS SOMETHING THAT WE WANT TO HAVE A POSITIVE AFFECT ON EVERYONE. AND WE WANT TO ALL BE PULLING ON THE SAME OAR WHEN IT COMES DOWN TO THIS. TO COMMANDER WALTHER'S COMMENT ABOUT FORGING RELATIONSHIPS. I THINK THAT'S AN ESSENTIAL COMPONENT WHEN YOU TALK ABOUT PUBLIC SAFETY. IT TRULY IS A COLLABORATIVE EFFORT TO BRING EVERYONE TOGETHER ON IT. SO I WANT TO NUMBER ONE APPLAUD BOTH MY CHIEF OF STAFF JP TWIST AND OF COURSE COMMANDER WALTHER AND OF COURSE CHIEF FORD AND OF COURSE LUIS SANTAELLA AS WELL IN LEGAL.

[Time: 01:55:47]

ALL HAVE DONE A GREAT JOB IN THE OUTREACH WHICH BRINGS ME TO ANOTHER POINT AND THAT IS THE FACT THAT THAT OUTREACH IS ABOUT AS THOROUGH AS I THINK HAS EVER BEEN ACCOMPLISHED ON SOMETHING LIKE THIS IN THE CITY. AND IT'S IMPORTANT THAT IT BE DONE THAT WAY. WE WANT EVERYBODY TO BE UNDERSTANDING BECAUSE WE DON'T WANT ANY GOT YA MOMENTS WHEN WE PUT

AN ORDINANCE INTO PLACE THAT SOMEBODY FINDS THEY'RE IN HAVE A VIOLATION EVEN THOUGH THEY WEREN'T AWARE OF IT. WE WANT TO BE COMMUNICATING THE BEST WE POSSIBLY CAN. WE'RE GOING TO BE CHECKING ON IT. ONE OF THE COMMENTS THAT WAS MADE BY MISS CANTOR AND THAT IS THAT WE WANT TO MAKE SURE THERE'S A REPORT ON THIS. I THINK IT'S IMPORTANT THAT WE'RE KEEPING TRACK OF WHAT IS GOING ON AND WHAT KIND OF RESULTS WE HAVE. ANY ORDINANCE, MAYBE EVEN THIS ONE WILL STAND FOR FURTHER REFINEMENT ONE WAY OR THE OTHER, BUT NEVERTHELESS I THINK THIS IS A GREAT STARTING POINT AND THEY HAVE DONE A FANTASTIC JOB OF GETTING AS MUCH INFORMATION FROM THE PUBLIC AND INTO THE ORDINANCE AS IS NECESSARY. ONE THING THAT IS MENTIONED AND I THINK THIS IS A REALLY IMPORTANT POINT FOR US. AND THAT IS THAT WE FOR AT LEAST A YEAR OR MORE, TRYING TO WORK WITH THE SMO, THE SAFETY MAINTENANCE AND OPERATIONAL PLANS WITHIN THE C.U.P. STIPULATION, CONTINUING, RATHER, CONDITIONAL USE PERMIT. BUT WE FOUND THAT NOT ONLY AS JP HAS ALREADY INDICATED, THAT IT WASN'T COMPLETE. BUT IT'S ONLY BEEN SOMETHING THAT HAS BEEN IN EFFECT FOR ABOUT NINE YEARS, AND IT'S TIED TO DEVELOPMENT AGREEMENTS. AND TIED WITH THE USE OF A LAND AND IT GOES WITH THE LAND. THIS ORDINANCE DOESN'T GO WITH THE LAND. IT'S A MATTER OF COMPLIANCE. WE WANTED TO BE CLEAR TO EVERYONE WHO IS SUBJECT TO IT, THAT EVEN WITH A CHANGE OF OWNERSHIP. IT'S SUBJECT TO ORDINANCE GUIDELINES AND STIPULATIONS THAT COVER EVERYONE ON AN EQUAL BASIS THAT FIT THE CRITERIA. THAT FORGING RELATIONSHIPS. IT'S ESSENTIAL AS SCOTTSDALE IS THE SIXTH SAFEST CITY IN OUR CATEGORY.

Mayor Lane: AS A TOURIST COMMUNITY IT IS IMPORTANT THAT WE HANDLE IT IN A BALANCED WAY. WE CANNOT TRANSFORM SCOTTSDALE INTO SOME SORT OF POLICE STATE IN ORDER TO TRY TO FACILITATE SAFETY AND SACRIFICE A FUN ENVIRONMENT AND THE CELEBRATORY AND A TOURIST ENVIRONMENT. BUT WE'RE NOT THERE. WE JUST WANT TO MAKE SURE WE NEVER GET TO AN UNSAFE CONDITION WHERE WE HAVE THAT KIND OF PROBLEM. IT'S IMPORTANT IT IS BALANCED IN HOW WE HANDLE IT. SO THAT THAT PRETTY MUCH COVERS SORT OF THE OVERVIEW AS FAR AS I'M CONCERNED. THERE'S ONE OTHER IMPORTANT COMPONENT I HAVE MENTIONED ON SEVERAL OTHER OCCASIONS THAT PART OF THIS AS FAR AS IN OVERALL SAFETY IS WE WANTED TO INCORPORATE FIRE. SOMETHING THAT UNTIL SOMETHING HAPPENS LIKE HAPPENED IN RHODE ISLAND A FEW YEARS BACK. NOT ONE PERSON GETS HURT OR KILLED, BUT POTENTIALLY SCORES OF PEOPLE GET KILLED. SO I THINK IT'S AN IMPORTANT COMPONENT WE HAVE ALSO GOT TO COVER IN THIS TOO AND I THINK IT'S PROBABLY A LONG TIME COMING THAT IT'S CERTAIN LY SOMETHING THAT IS IMPORTANT TO HAVING THIS AS WELL. SO WITH THAT, I THINK THAT AGAIN I WANT TO COMMEND YOU FOR THE JOB YOU HAVE DONE AND CERTAINLY COMMEND THE COMMUNITY FOR PARTICIPATING AND LENDING THEIR VOICES TO SOME OF THEIR CONCERNS AS IT WERE AND THEIR SUGGESTION S WHICH FOR THE VERY MOST PART WERE WELL-RECEIVED AND POSITIVE. WITH THAT, I'M GOING TO TURN IT OVER FOR SOME QUESTIONS WE MAY HAVE FOR THE COUNCIL. AND STARTING WITH COUNCILMAN PHILLIPS.

[Time: 02:00:22]

Councilmember Phillips: THANK YOU, MAYOR. MR. TWIST, CAN YOU GIVE ME AN ESTIMATE OF HOW MANY BARS AND RESTAURANTS WILL HAVE TO COMPLY WITH THIS.

J.P. Twist: MAYOR LANE AND COUNCILMAN PHILLIPS. WE HAVE TRIED TO ANSWER THAT. I THINK DETECTIVE MILLER. IT'S NORTH OF 100, BUT I THINK IT WOULD BE LESS THAN 200. APPROXIMATELY.

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Councilmember Phillips: 200.

J.P. Twist: LESS THAN 200.

Councilmember Phillips: LESS THAN 200. AND YOU'RE FIGURING WHAT? ANYWHERE FROM 3 TO 5 SECURITY GUYS IN EACH ONE ? I KNOW IT'S HARD TO FIGURE.

J.P. Twist: YEAH, IT WOULD BE HARD TO DETERMINE. OCCUPANCY LOW.

Councilmember Phillips: I THINK YOU'RE LOOKING AT ABOUT 1000. 365 DAYS IN A YEAR. THAT'S ABOUT THREE TRAININGS A DAY. THAT'S GOING TO BE A LONG TIME. WHAT IS THE COST TO THE CITY TO BE ABLE TO TRAIN ALL THESE GUYS AT NO COST TO THEM. IT HAS TO BE A COST TO SOMEBODY. IT HAS TO BE A COST TO US.

J.P. Twist: I'LL LET THE COMMANDER TAKE THAT ONE.

Commander Walther: THANK YOU FOR THE QUESTION. THE TRAINING COMPONENT IS GOING TO BE PROVIDED BY US. FOR THE P.D. SECTION OF THAT, WE ARE GOING TO HAVE OUR CRIME PREVENTION OFFICERS AND EACH OF OUR PATROL DISTRICTS OFFER THAT TRAINING. WE'RE GOING TO OFFER A MINIMUM OF EVERY 30 DAYS, BUT INITIALLY, TO HANDLE THE INITIAL LOAD, WE'RE PREPARED TO OFFER THAT CONSIDERABLY MORE OFTEN. THIS IS GOING TO BE IN ADDITION TO THEIR NORMAL DUTIES AND SO WE DON'T ANTICIPATE OTHER THAN THE INITIAL RUSH THAT WE MAY GET IF THE ORDINANCE PASSES. WE DON'T ANTICIPATE ANY LINGERING ISSUES WITH THAT. ONCE THE INITIAL RUSH IS PASSED, THEN WE'LL GO BACK TO THAT 30-DAY OFFERING THE TRAINING EVERY 30 DAYS.

Councilmember Phillips: SO WHERE DO YOU GET THAT EXTRA TIME FROM?

Commander Walther: WELL, SINCE THIS REALLY IS ABOUT CRIME PREVENTION, WE'LL BE ABLE TO HANDLE THAT IN TERMS OF EACH OF THE FOUR, OFFERING THAT AS OFTEN AS WE FIND NECESSARY. THE PLAN INITIALLY IS TO OFFER THAT VIA AN ONLINE SIGN-ON. 50 PEOPLE PER CLASS AND OFFER IT AS MANY TIMES IS NECESSARY INITIALLY. SO THIS IS ALREADY, CRIME PREVENTION IS ALREADY THEIR PRIMARY DUTY AND SO THIS WILL FALL UNDER THAT.

Councilmember Phillips: AND THEY HAVE ROOM TO ADD THIS ON. THIS ISN'T GOING TO BE, THEY'RE SITTING AROUND GOING I WONDER WHAT TO DO. IF WE GET THIS ORDINANCE, THEY'LL HAVE SOMETHING TO DO.

[Time: 02:02:50]

Commander Walther: GREAT QUESTION. THE ISSUE IS THAT IF WE FIND THAT WE ARE OVERWHELMING OUR FOLKS, WE'LL BRING OTHER TRAINERS IN TO HANDLE THE EXTRA WORK.

Councilmember Phillips: THIS WILL BE THE COST TO THE TAXPAYER? THE TAXPAYER WILL BE PAYING FOR THIS INEVITABLY.

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Commander Walther: WELL, WE'RE GOING TO INCLUDE IT IN THEIR NORMAL DUTIES SO THEY WOULD BE PAYING FOR IT ANYWAY.

Councilmember Phillips: BUT THEN YOU'RE SAYING THAT THEY WEREN'T DOING ANYTHING IN THE MEANTIME. THIS IS EXTRA TIME. THERE'S NO WAY AROUND THAT.

Commander Phillips: WE'RE STILL GOING TO HAVE TO FIND A WAY TO GET THE TRAINING DONE.

Councilmember Phillips: I DON'T MEAN TO ARGUE WITH YOU. I'M TRYING TO GET AN IDEA HOW MUCH IT IS GOING TO COST THE CITY TO TRAIN THESE PEOPLE AND THIS IS AN ONGOING THING. AND I AM CORRECT LOOKING SIX MONTHS DOWN THE LINE OF COMING BACK, WE HAD TO HIRE A FEW EXTRA GUYS TO TRAIN THESE PEOPLE BECAUSE THE REST OF THE POLICE ARE TOO BUSY TO BE DOING THIS STUFF.

Commander Walther: COUNCILMAN PHILLIPS, THAT'S ACTUALLY A GREAT QUESTION. WE FEEL THAT WE CAN CONDUCT THE TRAINING WITH EXISTING RESOURCES WITHOUT INCURRING ANY ADDITIONAL COSTS.

Councilmember Phillips: OKAY. AND THEN, THANK YOU. AND MR. TWIST, ON 2361. I BELIEVE COMMANDER WALTHER THAT SAID TWO OR MORE INSTANCES. MAYBE THEY'LL BE FINES UP TO \$2000 AND THEY'LL BE A LOT OF DIALOGUE. NOW, THAT SOUNDS TO ME KIND OF LIKE WHAT THEY ALREADY HAVE IS KIND OF A MAYBE THING. WE NEVER REALLY DO ANYTHING ABOUT IT. WE JUST TALK TO THEM AND SAY ALL RIGHT, WE WON'T FINE YOU THIS TIME. AND IF YOU DO FINE YOU \$2000, THAT'S A DROP IN THE BUCKET TO MOST PEOPLE. I WOULD LIKE TO SEE THAT.

J.P. Twist: WELL, MAYOR AND COUNCILMAN PHILLIPS, JUST TO CLARIFY THE \$1000 AND \$2000 FINE IS FOR FAILURE ON THE MANDATORY REPORTING SIDE. IF YOU, FOR EXAMPLE, DURING INSPECTION FOUND, THE POLICE FOUND THAT A SECURITY OFFICER WASN'T WEARING HIS SHIRT, THAT WOULD BE A \$500 FINE OR LET'S SAY THEY DIDN'T HAVE THE CORRECT RATIO.

IF YOU FAIL TO REPORT IMMEDIATELY, IT'S A THOUSAND DOLLARS FOR THE FIRST OFFENSE. IF IT HAPPENS AGAIN, IT'S \$2000, BUT IF THERE ARE THINGS THAT YOU DON'T COMPLY WITH THE PUBLIC. IF YOUR APPROVED PUBLIC SAFETY PLAN LIKE, WELL, LIKE I SAID YOU HAVE TO HAVE ALL THE RECORDS ON FILE. YOU HAVE TO HAVE THAT YOUR SECURITY STAFF HAS APPROVED YOUR PUBLIC SAFETY PLAN. THOSE ARE THE TYPES OF THINGS THAT ARE \$500, IF YOU DON'T HAVE THE RECORD AND A THOUSAND DOLLARS.

[Time: 02:05:28]

Councilmember Phillips: A LOT OF THESE 200 LESS BUSINESSES. WE'RE GOING TO BE SENDING SOMEONE AROUND TO MAKE SURE THEY COMPLY. OTHERWISE, WE'RE NOT GOING TO, THAT'S NOT AN EXTRA COST TO YOU.

J.P. Twist: WELL, IF YOU LOOK IN THE COUNCIL REPORT. COMMANDER WALTHER, IF YOU WANT TO ADDRESS THAT SPECIFICALLY.

Commander Walther: ANOTHER GREAT QUESTION, COUNCILMAN. WE DO BELIEVE WE CAN TAKE ON THE ADDITIONAL WORK LOAD AT THIS TIME. NOW, WHAT WE'LL DO IS WE'LL SEE WHAT THAT WORK LOAD LOOKS LIKE BECAUSE WE CAN'T MAKE A DETERMINATION UNTIL WE ACTUALLY BRING THAT WORK LOAD ONBOARD. WE'LL SEE WHAT THAT LOOKS LIKE. WE'LL APPLY EXISTING RESOURCES FOR THAT WORK LOAD AND WE'LL SEE IF WE NEED TO MAKE ANY CHANGES AFTER THAT.

Councilmember Phillips: OKAY. AND I JUST REMEMBER THE NOISE METERS BACK WHEN BARS WERE MAKING TOO MUCH NOISE AND EVERYBODY WAS COMPLAINING AND WHAT WAS THE CITY GOING TO DO ABOUT IT. WE CAME UP WITH THIS ORDINANCE. WE'LL HAVE NOISE METERS AND IT CAUSES \$3000. WE HAD TO TRAIN THE GUYS HOW TO USE THE NOISE METER AND GUESS WHAT? NOTHING HAS EVER BEEN RECORDED. SO NOTHING EVER COMES OF THAT. WE NEVER REVOKE TO C.U.P. I FEEL THAT HAD WE DONE THAT TO MARTINI RANCH WE WOULDN'T HAVE HAD TO DO THIS. YOU WOULDN'T HAVE HAD TO WASTE SEVEN MONTHS OF GOING TO THE ORDINANCE. REVOKE ONE AND THE REST WILL FALL IN LINE. SO I FEEL LIKE WE'RE KIND OF LIKE THE LADY SAID JUST CHASING A PAPER TIGER HERE. THAT IS MY COMMENT FOR NOW.

J.P. Twist: MAYOR, IF I MAY AND JUST A POINT OF CLARIFICATION JUST REGARDING MARTINI RANCH. THEY DON'T HAVE A C.U.P. THEY HAVE BEEN IN BUSINESS. THEY ARE ONE OF OUR OLDEST BARS IN SCOTTSDALE. THERE'S NOTHING TO REVOKE.

Mayor Lane: THANK YOU, COUNCILMAN. COUNCILMAN LITTLEFIELD.

[Time: 02:07:19]

Councilman Littlefield: WELL, ACTUALLY COUNCILMAN PHILLIPS, ONE OF THE MOST IMPORTANT POINTS HERE. TEN YEARS AGO, WE CREATED THE C.U.P. PROCESS IN ORDER TO DEAL WITH EXACTLY THESE KIND OF PROBLEMS IN THE BAR DISTRICT. AND IN THE INTERVENING TEN YEARS, WE HAVE IS NEVER EVEN CONSIDERED REVOKING A C.U.P., MUCH LESS HAVE WE ACTUALLY DONE SO. AND THEN THE NOISE METER THING IS FUNNY. I REMEMBER WHEN WE PASSED THE NOISE ORDINANCE WHICH DOESN'T EVEN ACTUALLY APPLY TO WHERE THE NOISE IS, AND THEN SIX MONTHS LATER, WE COME TO FIND THAT THE STAFF HADN'T EVEN PURCHASED THE NOISE METERS. I THINK IT'S A CREDIBILITY ISSUE HERE. I DON'T KNOW WHY ANYBODY WOULD BELIEVE THAT. HAVING, SINCE WE LET THE DISTRICT RUN AMUCK FOR THE LAST TEN YEARS WHY ANYTHING WE PASS HERE WOULD BE ENFORCED. OUR HISTORY ON THIS IS BASICALLY A HISTORY OF ZERO ENFORCEMENT. ZERO. NONE. BUT, IF WE'RE GOING TO HAVE THIS, I'M GUESSING THIS IS GOING TO PASS TONIGHT. LET'S AT LEAST TRY AND PUT SOME TEETH IN IT. AND THEN WE'LL SEE HOW IT GOES. THERE'S A COUPLE OF CHANGES THAT I'M GOING TO PROPOSE HERE AND I DON'T KNOW IF YOU WOULD PUT THESE IN AN AMENDED MOTION OR MAKE THESE A MOTION TO SEE IF WE GET A SECOND. THE FIRST THING WE'RE GOING TO DO IS IF WE'RE GOING TO HAVE SITUATIONS IN WHICH POLICE OFFICERS NEED TO BE THERE FOR SECURITY RATHER THAN SOMEBODY WITH A GUARD CARD THAT, WOULD BE SCOTTSDALE. THE FIRST AMENDMENT THAT I WOULD LIKE TO PROPOSE IS THAT SCOTTSDALE POLICE DEPARTMENT BE GIVEN FIRST RIGHT OF REFUSAL ON ANY USE OF POLICE OFFICERS WITH THIS ORDINANCE. I WOULD LIKE TO MAKE THAT MOTION.

Councilmember Phillips: IS THAT A MOTION ADDING TO THE ORDINANCE NOW?

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Councilman Littlefield: YEAH.

Councilmember Phillips: SO I'LL SECOND ADD TO THAT. I'LL SECOND THE MOTION.

Mayor Lane: WOULD THE SECOND LIKE TO SPEAK TOWARD THAT MOTION? I GUESS. SO ONE THING I WOULD SAY IS WE HAVE A BIT OF AN ISSUE. IT'S BEEN RAISED A NUMBER OF DIFFERENT TIMES. ONE OF THE CONCERNS THAT I HAVE IS GOT AND CERTAINLY HAS SOME LEGAL CONSIDERATION IS WHETHER WE WRITE AN ORDINANCE WHERE WE REQUIRE A DEFENDANT, IF YOU WILL, TO EMPLOY SERVICES OF THE CITY AT A CHARGE THAT MAY BE AT A PREMIUM OR MONOPOLY BASIS. SO THAT IS, THAT WILL BE MY ONLY CONCERN ON THAT MOTION. COUNCILMAN ROBBINS?

Councilman Robbins: MAYOR, I JUST HAD A QUICK QUESTION FOR JP ABOUT APPLICABILITY. DOES THIS APPLY FOR SPECIAL EVENTS? HAVE THEY, DO THEY CARD PEOPLE TO GO IN CERTAIN AREAS OR OTHER SPECIAL EVENTS. HOW DOES THAT APPLY TO THOSE TYPES OF THINGS?

J.P. Twist: YEAH, MAYOR LANE, COUNCILMAN ROBBINS. THANK YOU. THOSE TYPES OF EVENTS ARE SEPARATE. THEY ARE EXEMPT. THOSE GO THROUGH A SPECIAL EVENTS PERMITTING PROCESS. THEY GO THROUGH A COMMITTEE OF FOLKS INCLUDING THE POLICE DEPARTMENT AND FIRE DEPARTMENT. THEY SIT DOWN AND THEY HAVE CONVERSATIONS. SPECIAL EVENTS ARE EXEMPT FROM THIS PARTICULAR ORDINANCE.

Councilman Robbins: SO THEY ARE NOT IN THE A-2, A-3, OR A-4? THANK YOU.

Mayor Lane: THANK YOU COUNCILMAN. COUNCILMEMBER KORTE.

Councilmember Korte: THANK YOU, MAYOR. QUESTION PERHAPS FOR COMMANDER WALTHER. MY CONCERN WITH THIS IS THAT THE ORDINANCE IS SO CONVOLUTED THAT THE OVERSIGHT AND THE ENFORCEABILITY IS GOING TO BE A CHALLENGE. IT'S GOING TO TAKE SOME TIME. CAN YOU DESCRIBE OR DEFINE HOW YOU'RE GOING TO MANAGE AND ENFORCE THIS ORDINANCE WITH PERSONNEL AND PROCESS.

[Time: 02:11:39]

Commander Walther: THANK YOU. FIRST OF ALL, THERE IS A 90-DAY APPLICABILITY TEST. THEY HAVE 90 DAYS TO COMPLY WITH THE ORDINANCE. SECONDARILY, IS THIS DOES PUT THE LION'S SHARE OF THE WORK ESPECIALLY, INSPECTIONS AND COMPLIANCE ON TO THE POLICE DEPARTMENT. DETECTIVE JOHN MILLER HERE IS OUR LIQUOR DETECTIVE AND WE WILL LIKELY USE EXISTING RESOURCES TO GET HIM SOME ASSISTANCE IN THE COMPLIANCE AND INSPECTION OF THIS. SO INITIALLY, THERE WILL BE A WORKLOAD, BUT WE EXPECT THAT AS WE GET MORE AND MORE PUBLIC SAFETY PLANS IN TO SPREAD THAT WORKLOAD AROUND. SO THERE IS THE INSPECTION COMPONENT OF THAT WILL BE OUR BIGGEST CHALLENGE. BUT WITH OUR LIQUOR DETECTIVES OUT ON A REGULAR BASIS ON FRIDAY AND SATURDAY NIGHTS WE'LL BE ABLE TO COVER THE EXTRA WORKLOAD OVER THAT.

Mayor Lane: THANK YOU COUNCILWOMAN. WE DO HAVE A MOTION AND A SECOND ON THE TABLE, AND I WOULD ONLY SAY AGAIN THAT I THINK THAT THIS CHANGE THAT'S BEEN SUGGESTED. IT'S BEEN



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SUGGESTED, IS A SUGGESTION THAT THIS ORDINANCE BE CHANGED TO REQUIRE SCOTTSDALE POLICE DEPARTMENT ONLY IN THE IMPLEMENTATION OF SOME OF STIPULATED PENALTIES.

Councilman Littlefield: I MOVED BE GIVEN THE FIRST RIGHT OF REFUSAL.

Mayor Lane: FIRST RIGHT OF REFUSAL WITHIN THIS ORDINANCE ON THOSE PENALTY ISSUES. AND I, YOU KNOW, I ONLY WOULD SAY THAT IT IS A CHALLENGEABLE ISSUE. IT'S ALSO NO REFLECTION ON THE DEGREE OF FAITH AND CONFIDENCE I WOULD HAVE IN THE SCOTTSDALE POLICE DEPARTMENT OVER ANY OTHER UNIFORMED POLICE OFFICERS. IT IS JUST SIMPLY A MATTER OF OVERBEARING. MR. WASHBURN, DID YOU HAVE SOMETHING YOU NEEDED TO SAY?

City Attorney Bruce Washburn: YES, THANK YOU, YOUR HONOR. WITH RESPECT TO THE MOTION IN THE ADDITION OF REQUIREMENT, THERE BE A FIRST RIGHT OF REFUSAL FOR OFF-DUTY OFFICERS. IF WE'RE GOING TO MAKE THAT PART OF THE ORDINANCE, WE NEED EITHER TO PUT THE SPECIFIC LANGUAGE BEFORE THE PUBLIC AT THIS TIME AND ALSO STAFF WILL KNOW GOING IN. AND I SUGGESTED THIS TO YOU IN A MEMO. ANOTHER POSSIBILITY WOULD BE TO AMEND THE EXISTING ORDINANCE THE CITY ALREADY HAS THAT REQUIRES THE FIRST RIGHT OF REFUSAL FOR OFF DUTY SCOTTSDALE OFFICERS FOR SPECIAL EVENTS TO INCLUDE THIS ORDINANCE. PLANS UNDER THE ORDINANCE SO WE COULD BRING THAT BACK FOR COUNCIL APPROVAL AT A LATER TIME. SO IF YOU WOULD LIKE TO TAKE ADVANTAGE OF THAT POSSIBILITY, THEN THE MOTION COULD JUST BE DIRECTION TO STAFF TO BRING BACK AN AMENDMENT TO THE ORDINANCE TO REQUIRE THE USE OF FIRST RIGHT OF REFUSAL FOR OFF DUTY OFFICERS. THAT MIGHT SIMPLIFY AND CLARIFY EXACTLY WHAT WE'RE GOING TO BE DOING.

Mayor Lane: ONLY IN THE CASE OF WHAT'S BEEN OFFERED APPLIES TO THIS ORDINANCE WHAT HAS BEEN ASKED AS FAR AS THE CHANGE IS CONCERNED WHICH YOU'RE SUGGESTING WOULD BE MORE UNIVERSAL AND ACTUALLY MORE OF AN ISSUE THROUGHOUT EVERY EVENT.

Bruce Washburn: WELL, THE REASON FOR MY SUGGESTION IS THAT THERE'S, WE ALREADY HAVE AN ORDINANCE WITH A SPECIFIC PROCEDURE IN IT FOR HOW THE FIRST RIGHT OF REFUSAL WORKS. AND IT'S NOT A LOT OF LANG WANG, BUT IT IS DETAILED AND WE HAVE EXPERIENCE WITH IT. AND I'M JUST SAYING THAT WE WOULD, IT WOULD BE EASIER FOR EVERYBODY TO KNOW EXACTLY WHAT WE'RE GOING TO DO TO IMPLEMENT WHAT COUNCILMAN IS TRYING TO INCORPORATE INTO THIS ORDINANCE.

Mayor Lane: COUNCILWOMAN MILHAVEN.

Councilwoman Milhaven: IN THAT CASE I WOULD LIKE TO MAKE AN ALTERNATE MOTION TO ADOPT ORDINANCE 4109 AND INSTRUCT THE CITY ATTORNEY TO COME BACK WITH A VISION TO THE ORDINANCE AROUND FIRST RIGHT OF REFUSAL TO INCLUDE, I THINK THAT'S IT. THANK YOU.

Councilmember Korte: SECOND.

[Time: 02:16:10]

Mayor Lane: MOTION MADE AND SECONDED. COUNCILWOMAN KORTE, WOULD YOU LIKE TO SPEAK? COUNCILMAN LITTLEFIELD.

Councilman Littlefield: WELL, ACTUAL I HAVE SOME AMENDMENTS THAT I WANT TO PROPOSE. I JUST WANTED TO DO THEM ONE AT A TIME BECAUSE SOME MIGHT BE ACCEPTABLE AND SOME MIGHT NOT. GIVEN THAT WE HAVE BEEN GOING BACK AND FORTH, HOW IS IT THAT YOU DON'T HAVE LANGUAGE READY TONIGHT KNOWING THAT THIS WAS GOING TO BE PROPOSED THAT WE COULD VOTE ON?

Bruce Washburn: I HAD INTENDED TO ADDRESS THIS CONCERN BY THE MEMO THAT I HAD SENT. SO THAT IS MY PROPOSAL FOR HOW WE WOULD HAVE LANGUAGE AVAILABLE TO YOU.

Councilman Littlefield: WHICH IS TO NOT DO IT TONIGHT BUT DIRECT YOU TO BRING IT BACK. THAT IS WHAT YOU'RE PROPOSING.

Bruce Washburn: THAT'S CORRECT COUNCILMAN.

Councilman Littlefield: SO IF I SAID I WOULD LIKE TO PROPOSE A SPECIFIC LANGUAGE TONIGHT, YOU DON'T HAVE THAT LANGUAGE AVAILABLE?

Bruce Washburn: NO, I DON'T HAVE THE SPECIFIC LANGUAGE THAT YOU WOULD WANT TO PROPOSE AVAILABLE. NO, I DON'T. WE CAN ACCOMPLISH THE SAME PURPOSE USING THE PROCEDURE THAT I RECOMMEND.

Mayor Lane: THANK YOU, MR. LITTLEFIELD. WE DO HAVE AN ALTERNATIVE MOTION ON THE TABLE.

Councilman Littlefield: WELL, POINT OF ORDER, IF YOU PASS THAT BEFORE I HAVE A CHANCE TO MAKE ANY OF THESE OTHER POSSIBLE AMENDMENTS, THEN IT'S OVER. I WOULD LIKE THE OPPORTUNITY, AND I HAVE OTHER AMENDMENTS THAT I BELIEVE NEED TO BE MADE HERE, AND IF I AM CORRECT IN UNDERSTANDING WHAT THE MOTION WAS, COUNCILWOMAN MILHAVEN'S MOTION WAS TO PASS THE ORDINANCE WITH THIS ONE CHANGE. AND QUITE FRANKLY I'M NOT DONE DISCUSSING. I THINK THERE ARE TWO OR THREE OTHER CHANGES THAT NEED TO BE MADE HERE.

[Time: 02:18:09]

Mayor Lane: EXCUSE ME, COUNCILMAN. I BELIEVE THAT IF AN ALTERNATIVE MOTION WAS TO HAVE THE LANGUAGE FOR A SPECIFIC CHANGE FOR THE ORDINANCE THAT RESPONDS TO THIS ISSUE ON THE OVERALL, PARDON ME FOR NOT KNOWING THIS SECTION THAT YOU MENTIONED BEFORE, BUT NEVERTHELESS THAT WAS THE UNDERSTANDING. SO WE ARE ADDRESSING THE ONE ISSUE RIGHT NOW. AND CERTAINLY WOULD LEAD

Councilman Littlefield: THAT'S NOT WHAT I HEARD. I WOULD LIKE TO ASK THE CITY CLERK TO REPEAT THE MOTION THAT COUNCILWOMAN MILHAVEN MADE. I BELIEVE SHE MADE A MOTION TO APPROVE THE ENTIRE ORDINANCE, BUT ALSO TO ASK STAFF TO BRING BACK THE RIGHT OF REFUSAL THING. WE'RE NOT DONE DISCUSSING THIS. THERE ARE OTHER THINGS THAT NEED TO BE CHANGED.

City Clerk Carolyn Jagger: WE HAVE IS A COUPLE OF THINGS WE COULD DO. I COULD TELL YOU MY UNDERSTANDING BUT WE COULD ALSO ASK COUNCILWOMAN MILHAVEN TO RE-STATE HER MOTION THE WAY SHE INTENDED. I SHOWED THAT IT WAS TO ADOPT THE ORDINANCE AND ALSO TO DIRECT

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STAFF TO COME BACK WITH A PROPOSAL THAT WOULD AMEND THE OTHER ORDINANCE DEALING WITH THE USE OF SCOTTSDALE POLICE.

Mayor Lane: THAT ISN'T OFFICIALLY AN ALTERNATIVE MOTION TO THE ORIGINAL MOTION. IT IS NOT. SO AM I CORRECT IN THAT ASSUMPTION? THE ORIGINAL MOTION WAS TO MAKE ONE CHANGE. THE ALTERNATIVE MOTION IS REALLY, IS THAT A LEGITIMATE ALTERNATIVE MOTION?

Carolyn Jagger: IT IS BUT I WOULD DEFER TO THE CITY ATTORNEY.

Bruce Washburn: YES, IT'S NOT JUST THE OPPOSITE OF THE MOTION THAT WAS MADE, I BELIEVE IT WAS A LEGITIMATE ALTERNATIVE MOTION.

Mayor Lane: THE ALTERNATIVE MOTION STANDS. MADE AND SECONDED. COUNCILMAN LITTLEFIELD.

Councilman Littlefield: WELL, IN THAT CASE, I WOULD LIKE TO MAKE AN ALTERNATIVE MOTION BECAUSE WE HAVEN'T BEGUN TO BEGIN. THERE'S TONS OF STUFF TO TALK ABOUT HERE. YOU JUST APPROVED THE ALTERNATIVE MOTION, THEN IT'S OVER. FOR INSTANCE, I BELIEVE WE NEED TO DO SOMETHING ABOUT THE DEFINITION OF THE PUBLIC SAFETY ORDINANCE. WE NEED TO TALK ABOUT THE FINES. AND WE NEED TO TALK ABOUT THE DURATION OF THESE. I HAVE SOME ALTERNATIVES I WOULD LIKE TO PROPOSE AND I SUSPECT OTHER PEOPLE ON THIS COUNCIL MIGHT BE WILLING TO SUPPORT SOME OF THOSE CHANGES. SO, I DON'T THINK IT'S APPROPRIATE TO APPROVE COUNCILWOMAN MILHAVEN'S MOTION WHICH ACTUALLY CUTS OFF ALL DEBATE ON OTHER ISSUES.

Mayor Lane: I THINK WE DO HAVE AN ALTERNATIVE MOTION THAT CALLS FOR A VOTE ON THE PROPOSED.....

Councilwoman Milhaven: MAYOR, OUT OF RESPECT FOR COUNCILMAN LITTLEFIELD, I'LL WITHDRAW MY MOTION IN ORDER TO ENTERTAIN THE CHANGES HE WOULD LIKE US TO CONSIDER.

Mayor Lane: ALL RIGHT, VERY GOOD.

Councilwoman Milhaven: THANK YOU.

Mayor Lane: ALL RIGHT.

[Time: 02:21:15]

Councilman Littlefield: I'LL JUST TELL YOU HERE IS THE PROPOSED CHANGES I WAS GOING TO PROPOSE AND THEN YOU'RE IN CHARGE. YOU CAN SET IT UP ANY WAY YOU WANT. I BELIEVE PUBLIC SAFETY INCIDENTS SHOULDN'T JUST BE FELONIES. WE SHOULD ALSO REDEFINE PUBLIC SAFETY INCIDENTS TO INCLUDE MISDEMEANORS. WE SHOULD MOVE THAT TO WITHIN 30 DAYS RATHER THAN TEN DAYS. WE NEED TO DOUBLE THE FINES, AND WE NEED TO MAKE THE DURATION OF THESE SAFETY PLANS ONE YEAR, NOT TWO. THOSE ARE THE FOUR. YOU'RE THE CHAIR. WHATEVER WAY YOU WANT TO DO THOSE IS SEPARATE MOTIONS. I BELIEVE THOSE ARE ALL WORTHY OF DISCUSSION AND SHOULD NOT BE PASSED OVER.

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Mayor Lane: THANK YOU COUNCILMAN. COUNCILMAN PHILLIPS.

Councilmember Phillips: WELL, IF THOSE ARE MORE MOTIONS. I'LL SECOND IT FOR BOB, BUT WHAT I'M THINKING IS THAT, YOU KNOW, HOWEVER ANYBODY WANTS TO VOTE ON THIS THING, YOU VOTE ON THIS, AND THEN WE CAN COME BACK AND MAKE AMENDMENTS TO THIS, IS THAT CORRECT? ONCE THIS IS DONE, NO MORE AMENDMENTS? WE CAN'T COME BACK TO COUNCIL AND SAY WE WANT TO AMEND TO ADD THIS?

Mayor Lane: COUNCILWOMAN MILHAVEN WITHDREW THE MOTION TO CONSIDER BOB'S OTHER CHANGES AS PROPOSED. AND HE'S JUST LISTED THOSE OUT. SO HE'S GOT TO COMMENT ON THOSE CONVERSATIONS.

Councilmember Phillips: FINE, I'LL SECOND THEM.

Mayor Lane: IT'S NOT A MOTION. I DON'T BELIEVE IT WAS A MOTION, WAS IT?

Councilman Littlefield: WELL, I AM ASKING YOU AS THE CHAIR. IT'S YOUR PREROGATIVE HOW YOU WANT TO HANDLE IT. I'LL MAKE IT AS A MOTION THAT WE APPROVE THIS ORDINANCE WITH THE FOLLOWING CHANGES. THE ONLY REASON I DIDN'T WANT TO DO THAT IS SOME PEOPLE MAY LIKE SOME OF THE CHANGES, AND NOT OTHERS OF THE CHANGES. AND THAT WAS THE ONLY REASON I WAS GOING TO CONSIDER THEM ONE AT A TIME.

ALL RIGHT, WELL, THE FIRST ONE ON THE FIRST RIGHT OF REFUSAL. YOU SAID IT AS DIRECT THE CITY ATTORNEY TO BRING BACK; RIGHT? DIRECT THE CITY ATTORNEY TO BRING BACK THE LANGUAGE OF THE APPROPRIATE. SO LET'S DO THAT AS THE FIRST AMENDMENT. DIRECT STAFF TO BRING BACK AN AMENDMENT TO 17324. IS THAT THE LANGUAGE YOU HAVE?

Bruce Washburn: THAT IS MY UNDERSTANDING.

Councilman Littlefield: THAT WILL BE MY FIRST MOTION.

Councilmember Phillips: SECOND.

[Time: 02:23:42]

Mayor Lane: MOTION MADE AND SECONDED. AND IF THERE ARE ANY FURTHER COMMENTS. WE HAVE TO VOTE. ALL THOSE FOR, PLEASE INDICATE BY AYE AND OPPOSED NAY. NAY. MOTION DOES PASS. 4-3. COUNCILMAN ROBBINS. VICE MAYOR KLAPP AND MYSELF OPPOSING.

Councilman Littlefield: THE SECOND MOTION I WOULD LIKE TO MAKE IS TO AMEND IT TO REDEFINE THE PUBLIC SAFETY NOT JUST AS A FELONY BUT AS A MISDEMEANOR AND THAT IT BE WITHIN 30 DAYS RATHER THAN TEN DAYS.

Councilmember Phillips: SECOND.

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Mayor Lane: MOTION HAS BEEN MADE AND SECOND. ANY DISCUSSION ON THAT? I WOULD HAVE TO SAY THAT I WOULD LIKE TO DEFER MAYBE TO LEGAL AS FAR AS THESE DEFINITIONS ARE CONCERNED AND FRANKLY THE VOLUME OF ACTIVITY THAT MIGHT BE ENCOMPASSED WITH A MISDEMEANOR OR MAYBE, COMMANDER MAYBE YOU COULD REFER TO THAT AS WELL.

Commander Walther: THANK YOU, MAYOR, I CAN. MAYOR AND COUNCIL, WE DID LOOK LONG AND HARD AT THE IDEA OF THE MISDEMEANOR VERSES FELONY. AND THE MISDEMEANOR PORTION OF THAT, MISDEMEANOR ACTS OF VIOLENCE ARE CAPTURED WITHIN TITLE FOUR OF THE STATE LIQUOR CODE ALREADY AND ARE REQUIRED, ESTABLISHMENTS ARE REQUIRED TO REPORT ACTS OF VIOLENCE TO LAW ENFORCEMENT OR THE ARIZONA DEPARTMENT OF LIQUOR LICENSE AND CONTROL. WE DID LOOK AT THAT. THAT COMPONENT IS ALREADY COVERED UNDER THAT. WHEN WE DRAFTED OUR ORDINANCE, WE WANTED TO CREATE AND STRIKE THAT BALANCE THAT WE DISCUSSED BEFORE AND THAT BALANCE BETWEEN IDENTIFYING THOSE PROBLEM ESTABLISHMENTS THAT HAD HIGHER ACTS OF VIOLENCE, AND SO THAT WE COULD FIT THEM WITHIN THE DEFINITION OF THIS ORDINANCE, AND THEN HAVE SOME MECHANISM TO ADDRESS THOSE ISSUES. SO THAT IS WHY WE WENT WITH THE FELONY SO THAT IT WOULD GIVE US MORE OF THAT BALANCE AND NOT PUT AN UNDUE BURDEN AND AT THE SAME TIME NOT PUT AN UNDUE BURDEN ON OUR BUSINESS COMMUNITY.

Mayor Lane: THANK YOU, COMMANDER. WE HAVE A FIRST AND A SECOND ON THAT. OUR MOTION MADE AND SECOND ON THAT. CITY ATTORNEY?

Bruce Washburn: AND JUST TO MAKE SURE THAT I HEARD THIS CORRECTLY, I THOUGHT I HEARD THE COUNCILMAN SAY AMEND THE DEFINITION OF PUBLIC SAFETY ORDINANCE AND PUBLIC SAFETY INCIDENT.

Mayor Lane: THANK YOU. THANK YOU, MR. WASHBURN. I WOULD ONLY WANT TO JUST SORT OF ADD TO COMMANDER WALTHER'S COMMENTS ABOUT IT. IT WAS A GREAT DEAL OF CONVERSATION AND THOUGHT ABOUT THIS. WE ARE TRYING TO APPROACH THIS FROM THE STANDPOINT OF TRUE PUBLIC SAFETY SITUATIONS. AND WE ARE GOING TO BE CAREFUL ABOUT THAT AND WE DON'T OVERLOAD THE SYSTEM AND FRANKLY THAT WE DON'T BECOME OVERBEARING ON IT ON INSTANCES THAT DON'T RISE TO A LEVEL OF REAL THREATS. SO I THINK IT'S BEEN A BALANCE, AND I THINK IT'S BEEN AN APPROACH THAT I THINK IS POSITIVE AND IS WELL DOCUMENTED NOW AND FRANKLY WELL VETTED. CHANGING AT THIS POINT IN TIME WOULD BE CONSIDERABLE ADDED BURDEN TO NOT ONLY A COMMUNITY BUT ALSO TO STAFF ON THIS. COUNCILMAN LITTLEFIELD.

[Time: 02:27:00]

Councilman Littlefield: I WOULD JUST LIKE TO POINT OUT THAT THE REASON I AM ASKING THAT IS MISDEMEANORS CAN AND OFTEN ARE VERY SUBSTANTIAL AND YOU PUT PEOPLE IN JAIL FOR UP TO A YEAR FOR MISDEMEANORS. SO IF WE ARE REALLY TALKING ABOUT GETTING CRACKING DOWN ON PROBLEM PLACES, THEN IF WE JUST SAY FELONIES THAT IS WHY I BELIEVE WE SHOULD REDEFINE. WE SHOULD CHANGE THAT DEFINITION.

Mayor Lane: THANK YOU COUNCILMAN. AND THE ONLY THING I WOULD SAY IS TO COUNTER THAT, I SUPPOSE IS TO SAY THAT WE, NONE OF IT IS HAPPENING RIGHT NOW. AND I MEAN IF YOU WANT TO SAY THAT IT'S ALL SLIDING. IT'S ALL SLIDING TO THE, TO ANY EXTENT THAT IF THEY ARE NOT

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PROSECUTED UNDER THE LAW UNDER NORMAL CIRCUMSTANCES, WE'RE TALKING ABOUT HOLDING ESTABLISHMENTS ACCOUNTABLE FOR ANY AND ALL ACTIONS THAT ARE ON THE FELONY LEVEL. AS FAR AS THEIR OPERATION OF THEIR BUSINESS. SO. OKAY. ALL RIGHT, THEN I THINK WE'RE READY TO VOTE. ALL THOSE IN FAVOR, PLEASE SAY AYE AND NO IS A NAY IF YOU VOTE NAY. MOTION FAILS. 5-2.

Councilman Littlefield: AND THE LAST CHANGE I WOULD LIKE TO PROPOSE IS THAT THE FINES WHICH WE DISCUSSED EARLIER ARE WAY TOO LOW CONSIDERING THE AMOUNT OF MONEY THESE PLACES MAKE. I DON'T BELIEVE THOSE FINES ACTUALLY ARE DETERRENTS. SO I WOULD LIKE TO MAKE A MOTION THAT WE DOUBLE THE AMOUNTS OF THE FINES IN THE CURRENT ORDINANCE.

Councilmember Phillips: SECOND.

Mayor Lane: SECOND LIKE TO SPEAK TOWARD IT? OKAY. MR. WASHBURN.

Bruce Washburn: THERE ARE SOME FINES WHERE THE STATE LAW SETS A MAXIMUM AMOUNT ON THEM, SO WITHOUT TRYING TO GO THROUGH AND MAKE SURE WE CAN IDENTIFY EACH ONE, I WOULD ASK THAT THE MOTION BE AMENDED TO SAY THAT THE FINES BE DOUBLED TO EITHER THE LEVEL SPECIFIED IN THE MOTION OR TO THE MAXIMUM AMOUNT PERMITTED BY LAW, WHICHEVER IS GREATER.

Councilman Littlefield: THAT WORKS FOR ME.

Mayor Lane: AND SO ANY AMENDED MOTION THEN?

Councilman Littlefield: WELL, ON THE ADVICE OF THE CITY ATTORNEY, YEAH.

Mayor Lane: I'M SORRY. WHERE WOULD THAT PLACE IT? OR DO WE HAVE AN AMOUNT. TO THE AMOUNTS STATED, OR TO THE MAXIMUM AMOUNT ALLOWED BY LAW.

Bruce Washburn: MAXIMUM ALLOWED BY LAW.

Mayor Lane: WELL, I WOULD WANT TO JUST SAY THAT PRIOR TO THIS ORDINANCE, THERE WEREN'T ANY FINES. AND THE C.U.P. FINES WERE PROBABLY A QUARTER OF WHAT WE'RE, A HALF OR A QUARTER OF WHAT WE'RE TALKING ABOUT HERE. THEY WEREN'T ENFORCED. WE ARE WORKING TO MAKE SURE IF YOU DON'T REPORT IT THE FINES ARE DOUBLED BUT IF YOU REPORT AND YOU REPORT YOURSELF, THERE'S A PROCESS ALL OF THIS HAS TO COME THROUGH THE FILES IN ANY PLACE BUT IF YOU REPORT IT YOURSELF, WE ARE NOT TRYING TO MAKE IT ONEROUS, THAT THEY WOULD BE DETERRED FROM REPORTING. COUNCILMAN LITTLEFIELD.

[Time: 02:30:35]

Councilman Littlefield: YOU MADE THE POINT WHICH IS ACTUALLY THE POINT I MADE EARLIER THAT WE DIDN'T ENFORCE THE FINE AS WE HAD AND I STILL BELIEVE THAT'S PROBABLY WHAT IS GOING TO HAPPEN HERE. IF BY SOME CHANCE I'M WRONG AND WE DO THIS. THE FINES AS THEY ARE DEFINED IN THIS ORDINANCE, THESE PEOPLE ARE MAKING MONEY HAND OVER FIST. THE \$500 FINE IS JUST THE COST OF DOING BUSINESS SO THAT IS I BELIEVE THESE ALL NEED TO BE DOUBLED. I CAN GO THROUGH

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AND LIST THEM ALL. I WAS JUST TRYING TO MAKE IT EASY ON EVERYBODY RATHER THAN DRAG THIS OUT HERE UNTIL 11:00. THAT IS WHY I ACCEPTED THE CITY ATTORNEY'S ALTERNATIVE WAY OF EXPRESSING IT BUT I JUST BELIEVE THAT THE FINES AS THEY'RE HERE ARE NOT A REAL DETERRENT TO THESE FOLKS AND THAT IS WHY I'M MAKING THIS PROPOSAL.

Mayor Lane: THE CONCESSION TO ACCEPT MR. WASHBURN'S DEFINITION ON IT, ANY FINES THAT WE IMPOSE HAVE TO BE PERMITTED BY LAW SO THAT IS AN EASY ONE. I THINK WE'RE THEN READY TO VOTE ON THIS. ALL IN FAVOR OF THE MOTION.

J.P. Twist: MAYOR, IF I CAN JUST REALLY QUICK. CAN WE JUST HAVE A RESTATED MOTION JUST TO MAKE SURE. BECAUSE COUNCILMAN ALSO MENTIONED IN HIS COMMENT A CHANGE TO THE REQUIREMENT OF HIRING OFF DUTY OFFICERS WITHIN THE 30-DAY TIME PERIOD. COULD WE JUST RESTATE IT THAT WE'RE TALKING ABOUT THE FINES RIGHT NOW?

Councilman Littlefield: THAT WAS THE LAST VOTE. THIS IS JUST FINES.

Mayor Lane: WE ARE THEN READY TO VOTE. ALL THOSE IN FAVOR OF THE MOTION PLEASE INDICATE BY AYE, NAY IF YOU OPPOSE. MOTION FAILS 5-2. COUNCILMAN LITTLEFIELD AND COUNCILMAN PHILLIPS AFFIRMATIVE.

Mayor Lane: NOW I SUPPOSE WE CAN ACCEPT THAT MOTION UNLESS THERE'S SOMETHING FROM THE CITY CLERK?

Carolyn Jagger: YOUR HONOR, COULD WE DO JUST A LITTLE BIT OF HOUSEKEEPING, AND COULD I PLEASE ASK COUNCILMAN LITTLEFIELD TO WITHDRAW HIS ORIGINAL MOTION THAT HE MADE. THAT COUNCILWOMAN MILHAVEN MADE. WE'VE GOT TOO MANY MOTIONS ON THE TABLE TO DEAL WITH.

Councilman Littlefield: WELL, I THINK ACTUALLY WHAT HAPPENED IF I REMEMBER CORRECTLY IS THE ALTERNATIVE MOTION I MADE, AND THE MOTION I MADE SHE MADE THE ALTERNATIVE TO ENDED UP BEING THE MOTION WE PASSED. BUT DO YOU THINK THERE'S SOMETHING ON THE FLOOR, I'LL WITHDRAW IT.

Carolyn Jagger: IF YOU'LL WITHDRAW THE FIRST MOTION EVERYTHING BALANCES.

Councilman Littlefield: SURE.

[Time: 02:23:09]

Mayor Lane: I THOUGHT WE ACTUALLY HAD CHANGED THAT TO THE ONE THAT WE VOTED ON?

Carolyn Jagger: YOU'RE CORRECT, THIS IS WHAT WE ENDED UP DOING AND SO THAT IS WHAT WE HAD THAT IMBALANCE FOR JUST A MINUTE.

Mayor Lane: THANK YOU.

Carolyn Jagger: THANK YOU.

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Mayor Lane: OKAY, COUNCILWOMAN KORTE.

Councilmember Korte: I WAS GOING TO MAKE A MOTION. THANK YOU. I MOVE TO ADOPT ORDINANCE 4109 ADDING ARTICLE 4, SECTIONS 23 THROUGH 50. 23 TO 50 THROUGH 23-76 TO CHAPTER 23 OF THE SCOTTSDALE REVISED CODE FOR THE IMPOSITION AND REGULATION OF PUBLIC SAFETY PLANS. TO ALSO INCLUDE DIRECTIVE TO STAFF TO CREATE THE AMENDMENT TO SRC 17-324 REGARDING THE FIRST RIGHT OF REFUSAL BY THE SCOTTSDALE POLICE DEPARTMENT. WE ALREADY PASSED IT. TAKE THAT BACK.

Mayor Lane: ANYWAY, WE HAVE A MOTION TO PASS THE ORDINANCE AS INDICATED. THAT IS 4109. DO WE HAVE A SECOND?

Councilwoman Milhaven: SECOND.

Mayor Lane: MOTION MADE AND ENDED. COUNCILMAN PHILLIPS. I'M SORRY, WOULD THE SECOND LIKE TO SPEAK TOWARD IT?

Councilwoman Milhaven: I JUST WANT TO THANK ALL THE STAFF FOR ALL THEIR HARD WORK IN BRINGING THIS TOGETHER. THANK YOU.

Mayor Lane: THANK YOU COUNCILWOMAN. COUNCILMAN PHILLIPS.

Councilmember Phillips: THANK YOU, MAYOR. I WOULD JUST LIKE TO SAY, YOU KNOW, MR. TWIST AND THE POLICE AND FIRE, I UNDERSTAND YOU WENT THROUGH SEVEN MONTHS OF THIS AND IT'S VERY HARD WORK AND YOU MET WITH A LOT OF PEOPLE AND A LOT OF BUSINESS OWNERS AND YOU CAME UP WITH THE BEST PLAN THAT YOU COULD, AND I HAVE TO COMMEND YOU FOR THAT. I KNOW IT WAS A LOT OF HARD WORK, BUT I JUST DON'T FEEL LIKE IT HAS ENOUGH TEETH IN IT. I FEEL THAT THE RESULT OF THIS IS AN UNFORCIBLE OWNER'S PLAN. IT PUNISHES GOOD BUSINESS OWNERS FOR NEGLIGENT AND IRRESPONSIBLE BEHAVIOR OF A FEW. SO A COUPLE OF TIMES IN THE PAST, I HAVE SUGGESTED TO COUNCIL THAT WE DESIGNATE AN ENTERTAINMENT DISTRICT DOWNTOWN WHICH WILL ALLOW US TO DO THIS KIND OF A PLAN AND A CONCENTRATED AREA SUCH AS THE DOWNTOWN BAR DISTRICT. AND INSTEAD OF BURDENING AN ENTIRE CITY. AND I DON'T FEEL IT'S FAIR TO THE REST OF THE OWNERS. MY WIFE AND I LIKE TO GO TO RUTH'S CHRIS STEAK HOUSE SOMETIME. ALTHOUGH THEIR STEAKS ARE EXPENSIVE, THEY MAKE THE MONEY OFF LIQUOR. I DON'T WANT TO GO IN THERE AND SEE THREE BOUNCERS IN THERE. IT'S AN UNCOMFORTABLE FEELING. I DON'T WANT TO SEE THIS THROUGHOUT THE CITY BECAUSE OF A FEW BAD APPLES. SO MY PERSONAL OPINION IS I WILL NOT BE VOTING FOR THIS. I THINK IT AFFECTS TOO MANY BUSINESS OWNERS THAT DIDN'T DO ANYTHING WRONG IN THE FIRST PLACE.

[Time: 02:36:12]

Mayor Lane: THANK YOU, COUNCILMAN. JUST A QUICK RESPONSE ON THAT. THIS IS NOT SOMETHING THAT WOULD APPLY TO RUTH'S CHRIS. DON'T WORRY ABOUT SECURITY FORCES BEING INVOLVED WITH THAT. COUNCILMAN ROBBINS.



Councilman Robbins: THANK YOU, MAYOR. I JUST WANTED TO SAY A COUPLE OF THANK YOUS TO JP AND COMMANDER AND AND CHIEF AND LUIS. YOU HAVE DONE AN AWESOME JOB. I THANK YOU FOR ALL YOUR TIME AND THE 20 REVISIONS YOU HAD. 21. I HAD IT WRONG BEFORE. BUT I THINK THIS ADDS A LOT OF VALUE TO OUR COMMUNITY. I REALLY DO. AND THE FIRST TIME I HEARD IT, I WAS A LITTLE TAKEN ABACK AS A BUSINESS OWNER AND REQUIREMENTS THAT THE CITY IS PUTTING ON THESE TYPES OF BUSINESSES. NOBODY WANTS EXTRA REQUIREMENTS ON TOP OF WHAT THEY DO, BUT I THINK THE GOOD BUSINESSES ARE DOING THINGS ALONG THESE LINES ALREADY, SO REALLY WHAT WE'RE REGULATING ARE THE AVERAGE AND THE BELOW AVERAGE BUSINESSES. AND I THINK THE TRAINING IS GOING TO BE EXCELLENT. I AGREE WITH THE MAYOR THAT ADDING THE FIRE SIDE INTO THIS IS EXTREMELY IMPORTANT AND WE'RE NOT JUST FOCUSING ON PUBLIC SAFETY WHICH MEANS CRIME PREVENTION AND ALL. SO THE FIRE SIDE OF WHAT WE DO AND WHAT WE WANT OUR BUSINESSES TO DO. SO I THINK THAT'S REALLY IMPORTANT AND I'M GLAD THAT WE'RE DOING THIS AS WELL. AND BACK TO OUR FORGE VERSES FORCE. I AGREE THAT THE FORGE RELATIONSHIPS IS VERY IMPORTANT AND AS MUCH AS WE DON'T WANT OVERREGULATION IN OUR CITY, THIS IS SOMETHING THAT IS EXTREMELY IMPORTANT TO OUR TOURISM INDUSTRY. THE PERCEPTION OF SCOTTSDALE. THE SAFETY OF OUR CITIZENS, THAT THE POLICE AND THE FIRE DEPARTMENT DO HAVE VERY GOOD RELATIONSHIP S WITH OUR BUSINESS OWNERS DOWNTOWN AND TO BE ON TOP OF WHAT THEY ARE DOING AND COMMEND THE MAYOR FOR BRINGING THIS UP AND SPEARHEADING THIS EFFORT. I'LL VOTE ENTHUSIASTICALLY YES.

Mayor Lane: THANK YOU COUNCILMAN.

Councilmember Korte: THANK YOU, MAYOR. THANK YOU STAFF. I THINK THERE'S BEEN A LOT OF SHOE LEATHER BURNT ON THIS PARTICULAR ORDINANCE. BUT YOU KNOW, IT REFLECTS A NICE HEALTHY COLLABORATION BETWEEN DEPARTMENTS, AND THAT IS SOMETHING TO CELEBRATE, SO THANK YOU FOR THAT. CLEARLY, I SUPPORT THIS ORDINANCE. I SUPPORT IT BECAUSE I THINK IT'S AN IMPORTANT FIRST STEP. WHILE IT REMAINS BUSINESS-FRIENDLY AND CERTAINLY THE ENTERTAINMENT DISTRICT AND RESTAURANT AND BAR OWNERS ARE SUPPORTIVE OF THIS. I WOULD REALLY LIKE FOR US TO CONSIDER ADDITIONAL PUBLIC SAFETY POINTS PARTICULARLY FOR THE ENTERTAINMENT DISTRICT. THAT COULD BE ANYTHING FROM IMPROVING THE TRAFFIC FLOW, WHICH WE'RE TRYING OR ATTEMPTING TO DO THAT, TO BETTER CONNECTIVITY AND SAFER CONNECTIVITY BETWEEN THE DISTRICTS AND DOWNTOWN, BETTER SIGNAGE, SAFER PEDESTRIAN WALKWAYS, BETTER LIGHTING, AND PERHAPS EVEN MORE BOOTS ON THE GROUND. EVERYTHING I HAVE READ, AND I'M NOT A PUBLIC SAFETY EXPERT BY ANY MEANS, IT'S A LONG SHOT. I HAVE DONE A LITTLE BIT OF READING IN DIFFERENT COMMUNITIES AND HOW THEY APPROACH ISSUES SIMILAR TO THIS AND MANY OF THEM, IT COMES DOWN TO MORE BOOTS ON THE GROUND. SO IT IS AN IMPORTANT FIRST STEP. IT'S BUSINESS FRIENDLY. AND I LOOK FORWARD TO SOME SUCCESSES. SO THANK YOU.

[Time: 02:39:45]

Mayor Lane: THANK YOU COUNCILWOMAN. VICE MAYOR.

Vice Mayor Klapp: I WON'T BELABOR THE POINT OTHER THAN TO THANK THE PEOPLE THAT WERE INVOLVED IN THIS INCLUDING THE BUSINESS COMMUNITY, NOT ONLY THE STAFF, BUT THE BUSINESS COMMUNITY EMBRACE THIS ORDINANCE AND THAT IS HARD TO THINK THAT A COMMUNITY WOULD DO SINCE THERE'S REGULATION BEING PUT UPON THEM, AND I HAVE BEEN PARTICULARLY IMPRESSED

BY THE OWNERSHIP THAT THE POLICE DEPARTMENT HAS TAKEN OF THIS ORDINANCE AS WELL AS THE FIRE DEPARTMENT, BUT PROBABLY IN THE MEETINGS I WAS IN. THE POLICE LED MORE OF THOSE DISCUSSIONS AND BRIEFINGS FOR ME, AND SO I WANT TO TELL THEM, BOTH POLICE AND FIRE, THAT I DO HAVE FAITH THAT YOU WILL ENFORCE THIS ORDINANCE. I DON'T WANT TO WALK INTO THIS WITH THE PRESUMPTION THAT THERE WILL BE NO ENFORCEMENT. THIS IS GOING TO BE AN EXERCISE IN FUTILITY AND THAT FINES WILL NOT BE A DETERRENT BECAUSE WE CAN DOUBLE THE FINES. AND IF \$500 IS NOT A DETERRENT, THEN A THOUSAND DOLLARS ISN'T GOING TO BE A DETERRENT EITHER. SO IN MY MIND, YOU HAVE CRAFTED A GOOD ORDINANCE WITH THE PARTICIPATION OF A LOT OF PEOPLE AND I COMMEND YOUR SPIRIT OF COOPERATION, COLLABORATION, AND ENTHUSIASM THAT I FOUND IN ALL THE MEETINGS I WAS IN, THE DISCUSSIONS REGARDING THIS ORDINANCE BECAUSE IT WAS RELATIVELY A NEW THING FOR US WHEN WE FIRST STARTED, BUT I BELIEVE THAT IN LISTENING TO THE THOUGHT PROCESS AND THE AMOUNT OF TIME IT WAS SPENT ON DISCUSSING THIS WITH THE COMMUNITY AND COMING UP WITH AN ORDINANCE THAT WOULD BE WORKABLE I THINK IS COMMENDABLE. SO I THANK YOU.

Mayor Lane: THANK YOU VICE MAYOR. COUNCILMAN PHILLIPS.

Councilmember Phillips: THANK YOU, MAYOR. YOU KNOW, RUTH'S CHRIS ASIDE, COUNCIL MEMBER KORTE MENTIONED THE ENTERTAINMENT DISTRICT. WE DON'T HAVE AN ENTERTAINMENT DISTRICT. WE NEVER DESIGNATED IT AS SUCH. WE ARE PUNISHING ALL THE REST OF THE BUSINESS OWNERS FOR THE PROBLEMS OF A FEW AND IT'S ALWAYS THE SAME FEW. BUSINESS FRIENDLY? I DON'T THINK SO. THIS IS GOING TO COST ANYWHERE FROM \$10 TO \$30,000 PER BUSINESS. IF IT WAS MY BUSINESS, IT COULD MEAN THE DIFFERENCE BETWEEN GOING OUT OF BUSINESS? WHY WOULD I HAVE TO GO OUT OF BUSINESS BECAUSE SOMEONE ELSE DID SOMETHING WRONG. I DON'T THINK THAT'S FAIR. SO, AGAIN, I WILL NOT BE VOTING FOR THIS.

[Time: 02:42:02]

Mayor Lane: THANK YOU COUNCILMAN PHILLIPS. YOU KNOW, I THINK THAT ONE OF THE THINGS WE HAVE TO REALLY MUSTER THROUGH ON THIS IS NUMBER ONE, I'LL SAY IT AGAIN. A GREAT JOB ON EVERYBODY'S PART. INCLUSIVE OF THE COMMUNITY AND INCLUSIVE OF THE STAKEHOLDERS IN THE ENTERTAINMENT DISTRICT AS WELL AS ACROSS THE CITY LENDING THEIR INFORMATION AND THEIR THOUGHTS AND THEIR CONCERNS ABOUT IT, ALL OF WHICH WAS CONSIDERED VERY STRONGLY AND FRANKLY THAT IS WHY IT TOOK 20 REVISIONS. AT THE SAME TIME, WE DON'T WANT TO BE OVERLY ONEROUS. WE DO HAVE CERTAINLY A TOURISM ELEMENT TO CONCERN OURSELVES WITH AND WE HAVE THE SAFETY OF OUR TOURISTS AS WELL AS OUR RESIDENTS AND WE WANT TO MAKE SURE THIS IS A GREAT ENTERTAINMENT DISTRICT AND A CITY, A TOURIST CITY. EVERYTHING ABOUT THIS GOES TO HOW WE SERVICE NOT ONLY OUR RESIDENTS BUT AN IMPORTANT INDUSTRY FOR US AND THAT IS TOURISM. MAYBE THERE'S A LITTLE BIT OF OWNERSHIP CONCERN WHEN I HEAR ABOUT THE CHANGES THAT MIGHT BE INVOKED AT THE LAST MINUTE. I THINK THAT THERE'S BEEN ENOUGH TIME AND EFFORT PUT INTO THIS THAT IS FINE-TUNED AS I THINK ANY ORDINANCE HAS EVER BEEN BROUGHT BEFORE THIS COUNCIL. WE HAVE HAD MORE OUTREACH, MORE HEARINGS, MORE INFORMATION TAKEN INTO THE NEW AMENDMENTS TO IT. IN ANY CASE I THINK IT'S A VERY GOOD ORDINANCE WE ARE PASSING HERE. I CERTAINLY AM A MAJOR ADVOCATE OF IT AND I WANT TO THANK EVERYBODY WHO IS INVOLVED WITH IT. I THINK THE FIRST STEP MAYBE. WE HAVE EMPHASIZED THINGS THAT ARE GOING ON IN THE ENTERTAINMENT DISTRICT TOO. I APPRECIATE COUNCILWOMAN MENTIONING SOME

OF THOSE THINGS THAT WE ARE IN THE MIDST OF DOING, BUT THERE ARE THINGS WE HAVE DONE IN THE PAST TO TRY TO CURB SOME JUST NASTY BEHAVIOR IN THE STREETS AS WELL AS THE, FRANKLY THAT IS A LITTER -FREE ZONE DOWN THERE. SO THERE IS PARTICULAR ATTENTION PAID TO KEEPING IT NEAT, CLEAN, AND SAFE. ON ALL LEVELS. WHETHER IT'S FROM LAW ENFORCEMENT STANDPOINT, OR WHETHER IT'S FIRE PROTECTION OR EMS, AND EMERGENCY MEDICAL SERVICES. HAVING ACCESS TO THE AREA. IT'S ONE OF THE THINGS ABOUT THE TRAFFIC FLOW WE ARE LOOKING AT TO MAKE SURE IT'S SAFE EVEN IN THAT REGARD. SO THERE'S BEEN A LOT OF CONCENTRATION OF TIME AND EFFORT TO BRING IT TO THIS POINT AND I AM VERY THANKFUL THAT IT LOOKS HIKE WE'LL BE PASSING IT HERE THIS EVENING. SO NO FURTHER COMMENTS. I THINK WE HAVE THE MOTION ON THE TABLE. SO ALL THOSE IN FAVOR PLEASE INDICATE BY AYE. ALL THOSE OPPOSED WITH A NAY. AYE. THE MOTION PASSES 5-2 WITH COUNCILMAN LITTLE FIELD AND COUNCILMAN PHILLIPS OPPOSING THE SAFETY ORDINANCE. THANK YOU VERY MUCH ALL AGAIN FOR EVERYONE WHO HAS CONTRIBUTED TO THIS.

**ITEM 21 – FIRE STATION 602 STAFFING**

[Time: 02:45:40]

Mayor Lane: NEXT ORDER OF BUSINESS IS ITEM 21, THAT'S THE FIRE STATION 602 STAFFING. REQUEST TO ADOPT RESOLUTION NUMBER 9526 TO AUTHORIZE THE FOLLOWING OPTIONS. THE CREATION OF 13 FULL-TIME EQUIVALENT FIREFIGHTER POSITIONS DURING THE CURRENT FISCAL YEAR FY 2013/14 TO FULLY STAFF FIRE STATION 602; AND A BUDGET TRANSFER IN THE AMOUNT OF \$918,696 FROM THE FY 2013/14 GENERAL FUND OPERATING CONTINGENCY TO THE FIRE DEPARTMENT'S GENERAL FUND OPERATING BUDGET FOR OVERTIME COVERAGE COVERING THE CURRENT GAP, PARTIAL YEAR COST OF THE NEW FIREFIGHTER POSITIONS, AND TRAINING ACADEMY COSTS. SO, FOR THAT, WE START WITH LEE GUILLORY.

[Time: 02:46:29]

Acting Treasurer Lee Guillory: MAYOR AND COUNCILMEMBERS. THIS AGENDA ITEM AND THE AGENDA ITEM AFTER IT WHICH IS THE POLICE COMPENSATION HAVE THE POTENTIAL IF PASSED TONIGHT TO HAVE AN ONGOING IMPACT TO THE CITY'S GENERAL FUND. SO I THOUGHT THIS WOULD BE BENEFICIAL TO DO A BRIEF UPDATE ABOUT THIS GENERAL FUND AND SO TONIGHT I WOULD LIKE TO PRESENT THREE CASES TO YOU. THE FIRST I AM CALLING THE BASE CASE IS WHAT YOU SEE IN YOUR FISCAL YEAR 13-14 BUDGET BOOK AND THE OUTER YEARS AS WELL. I THEN HAVE A REVISED CASE WHICH I WILL STEP THROUGH SOME REVISIONS THAT WE ARE AWARE OF SINCE THE BUDGET HAS BEEN PREPARED. AND THE FINAL CASE I WILL PRESENT IS THE TWO PROPOSALS OF WHAT IMPACT THEY WOULD HAVE ON THE GENERAL FUND. SO I AM GOING TO BE CONCENTRATING ON THE SOURCES AND USES. THE SOURCES ARE BASICALLY THE REVENUES OF THE GENERAL FUND AND THE USES ARE THE EXPENSES, AND IMPACT ON THE UNRESERVED FUND BALANCE, WHEN SOURCES EXCEED USES, THE UNRESERVED FUND BALANCE GOES UP. WHEN THE OPPOSITE HAPPENS, THE UNRESERVED FUND BALANCE WILL DECREASE.

SO THIS SLIDE HERE WHICH I AM REFERRING TO AS MY BASE CASE AGAIN, IS THE NUMBERS THAT YOU HAVE SEEN IN YOUR FISCAL YEAR 13-14 BUDGET BOOK INCLUDING THE OUTER YEARS. AND THE FIRST LINE IS THE STARTING BALANCE OF THE UNRESERVED FUND BALANCE. AND THEN YOU SEE THE CITY GENERAL FUND SOURCES AND USES AND THEN THE NET CHANGED TO THAT WHICH THEN IMPACTS THE ENDING UNRESERVED FUND BALANCE. AND SO YOU SEE THAT IN THE ADOPTED BUDGET, THE USES

EXCEED THE SOURCES AND THAT IS, THAT WAS DONE FOR THE PURPOSE OF UTILIZING SOME OF THE UNRESERVED FUND BALANCE TO IMPLEMENT THE TWO AND A HALF MILLION DOLLAR POTENTIAL POLICE COMPENSATION PROGRAM. A \$2.8 MILLION PAY PERFORMANCE PROGRAM. SOME BUILDING MAINTENANCE, ET CETERA. SO THE ADOPTED BUDGET STARTED THE YEAR WITH AN UNRESERVED FUND BALANCE OF OVER \$12 MILLION AND WOULD END THE YEAR AT ABOUT \$2 MILLION. AND THEN, WE HAVE THE OUTER YEARS SHOWN THERE AS WELL. I'M GOING TO IN MY NEXT SLIDE TALK A LITTLE BIT ABOUT SOME OF THE ASSUMPTIONS THAT ARE IN THIS BASE CASE. THESE ARE NOT ALL THE ASSUMPTIONS. I JUST WANTED TO HIGHLIGHT A FEW OF THEM I THOUGHT MIGHT BE MOST IMPORTANT FOR TONIGHT'S DISCUSSION.

Mayor Lane: EXCUSE ME. WE DO HAVE A QUESTION. COUNCILMAN ROBBINS.

[Time: 02:49:11]

Councilman Robbins: THANK YOU. LEE, CAN YOU GO BACK TO THE SLIDE BEFORE, PLEASE? SO UNDER THE THIRD COLUMN OR THIRD ROW DOWN, UNDER USES, THAT IS, SO \$249.3 IS A CURRENT BUDGET, OPERATING BUDGET?

Lee Guillory: THAT IS CORRECT. INCLUDING THE PLANNED USE OF THE UNRESERVED FUND BALANCE.

Councilman Robbins: CORRECT. AND SO IN FORECAST 14-15, YOU'RE SAYING NEXT YEAR'S FORECASTED BUDGET IS \$246.6 WHICH IS LESS THAN THIS YEAR.

Lee Guillory: THAT IS CORRECT, SOME OF THOSE ONE-TIME USES WOULD NOT BE THERE.

Councilman Robbins: AND THEN IT RECOVERS A LITTLE BIT IN 15-16 TO \$252.

Lee Guillory: RIGHT. AND SOME OF THE REASONS I'LL OFFER ON MY NEXT SLIDE.

Mayor Lane: THANK YOU, COUNCILMAN. MS. GUILLORY, PLEASE CONTINUE.

Lee Guillory: I WANTED TO REITERATE WITH THE GROWTH RATES ARE IN THE 3% RANGE EACH YEAR. THE OUTER YEARS DO ASSUME THAT THE 2% ALLOWANCE ON THE PRIMARY PROPERTY TAXES WOULD BE INCLUDED. THAT IS A DECISION THAT THE COUNCIL WILL MAKE AS THEY ADDRESS THE BUDGET. THERE IS AN ASSUMPTION THAT IS BUILT IN THE NUMBERS ALREADY. IF THAT DECISION WAS NOT TAKEN THEN THOSE SOURCES WOULD BE LESS THAN WHAT IS SHOWN.

Mayor Lane: EXCUSE ME MS. GUILLORY, ON THIS SLIDE THOUGH, WE'RE TALKING ABOUT EACH OF THE FISCAL YEARS INCLUSIVE OF THE ONE WE'RE IN, SO WE'VE GOT THE SALES TAX GROWTH FORECASTED THIS YEAR AT 3.2%?

Lee Guillory: THAT WAS THE ORIGINAL FORECAST THAT WAS BUILT IN THE FISCAL YEAR FISCAL BUDGET. WE HAVE SINCE UPDATED IT AND THAT IS GOING TO BE THE REVISION CASE THAT WE ARE GOING TO SHOW YOU.

[Time: 02:51:04]

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Mayor Lane: AND THE OTHER ITEMS THAT WE HAVE ON HERE IN THE ASSUMPTIONS THAT ARE MADE IN THE UPCOMING YEARS OF 14-15, 15-16 and 16-17. ARE THOSE FORECASTS FOR SALES TAX REVENUE ALSO BEEN REVISED?

Lee Guillory: THOSE OUTER YEARS HAVE ALSO BEEN REVISED AS WELL, IN THE REVISED CASE.

Mayor Lane: IN THIS FORECASTED ASSUMPTIONS MADE FOR REVENUE GROWTH. IN EACH CASE WE ARE FIGURING THAT WE WILL GO TO THE MAXIMUM OF 2% INCREASE IN PROPERTY TAXES AS ARE ALLOWED.

Lee Guillory: MAYOR, THAT IS CORRECT FOR THE YEARS STARTING IN 14-15. THE COUNCIL MADE THE DECISION IN THE FISCAL YEAR 13-14.

Mayor Lane: WE HAVE A PROJECTION OR FORECAST OF REVENUE STREAM COMING OFF OF WESTWORLD. NEW REVENUES OF TWO-PLUS MILLION DOLLARS OVER AND ABOVE ITS COSTS.

Lee Guillory: THAT IS CORRECT, AND I WANTED TO HIGHLIGHT THAT BECAUSE I'M NOT AWARE OF NEW SHOWS THAT HAVE BEEN SIGNED UP OR ADDITIONAL REVENUE SO THAT IS A POTENTIAL REVENUE SOURCE THAT MAY NOT MATERIALIZE. SO IF I GO BACK TO MY PRIOR SLIDE. I HAVE MY SOURCES LISTED HERE THAT \$2 MILLION FROM WESTWORLD THAT WOULD BE A SOURCE IN 14-15. IF IT DOESN'T MATERIALIZE, THE SOURCES WILL NOT BE \$246 MILLION. THERE WILL BE \$244 MILLION.

Mayor Lane: THE SAME THING WOULD GO IF THE PROPERTY TAX WAS NOT INCREASED THAT MAXIMUM 2% AT THE SAME TIME.

Lee Guillory: THAT IS CORRECT. AND SO, ALL THESE ARE WHAT IS BUILT INTO THE BASE CASE ASSUMPTIONS AND IF THEY DON'T MATERIALIZE THEY WOULD IMPACT THE NUMBERS THAT ARE SHOWN IN THAT FIRST SLIDE.

Mayor Lane: AND OBVIOUSLY WE'VE GOT THE NEXT ONE, THE CONSTRUCTION TAXES THAT CHANGED TO POINT OF SALE. THE RECENT REFORM ON TPT HAS PUT A FAIR NUMBER OF THINGS IN QUESTION. OUR ABILITY TO AUDIT ON LARGER ACCOUNTS AND RECOVERY. AND THE OTHER IS A TRANSFER, EVEN IF THE SALES TAX REVENUES REMAIN THE SAME WOULD TRANSFER OVER TO THE STATE FOR REVENUE DISTRIBUTION ON THE BASIS OF POPULATION RATHER THAN ON THE ACCUMULATED EFFECT.

[Time: 02:53:22]

Lee Guillory: MAYOR, THAT IS CORRECT. THIS LINE HERE SHOWS THE POTENTIAL SALES TAX THAT MAY GO AWAY. DUE TO THAT CHANGE IN THE LEGISLATION THAT STARTS IN FISCAL YEAR 14-15 IN JANUARY. IT WOULD BE HALF A YEAR. IT IS A DIFFICULT NUMBER TO ESTIMATE TO WHAT THE IMPACT WOULD BE. IF THOSE SALES TAXES ARE COLLECTED AT THE POINT OF SALE VERSUS AT THE CONSTRUCTION. AND RIGHT NOW WE ARE THINKING IN 14-15 THAT IT COULD BE THE \$700,000 TO \$900,000 RANGE. WE ARE LOOKING AT \$1.3 TO \$2 MILLION, POTENTIALLY LESS SALES TAX COLLECTED. AGAIN THAT WILL BE COLLECTED AT THE STATE LEVEL AND WE WOULD NOT BE SURE HOW THAT WOULD DISTRIBUTE THEM BACK TO THE CITIES.

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Mayor Lane: SO THE \$700,000-\$900,000 IN 14-15 IS A NEGATIVE NUMBER, IT'S WHAT'S ANTICIPATED TO BE LOST?

Lee Guillory: THAT'S CORRECT. THAT IS A POTENTIAL REVENUE SOURCE THAT COULD ALSO NOT MATERIALIZE.

Mayor Lane: AND EACH OF THOSE NUMBERS ARE ALL BRACKETED NUMBERS GOING ON THAT LINE.

Lee Guillory: IF THEY DON'T MATERIALIZE THEY WOULD BECOME A REDUCTION TO THE SOURCES.

Mayor Lane: BUT THEY HAVE BEEN PLUGGED INTO THE ASSUMPTIONS FOR THE REVENUE FORECAST.

Lee Guillory: YES THEY ARE INCLUDED AS IF WE WILL RECEIVE THOSE REVENUES.

Mayor Lane: OKAY, AND THE OTHER IS THE OTHER 2 COMPENSATION INCREASES OR WHATEVER CURRENTLY BUDGETED.

Lee Guillory: RIGHT. SO THE BASE CASE ALREADY INCLUDES A 2% COMPENSATION INCREASE ACROSS ALL EMPLOYEES. CERTAIN EXPENSE ITEMS IF WE KNOW THEY'RE GOING TO INCREASE FOR A CERTAIN REASON, IN THE OUTER YEARS WE INCREASE THEM. IF WE ARE NOT CERTAIN, WE USE THE C.P.I. INFLATION FACTOR, OF 2.1%. SO THE EMPHASIS WHEN WE PUT THE BUDGET TOGETHER IS ON THE CURRENT UPCOMING FISCAL YEAR, AND THE OUTER YEARS THERE ARE MORE ASSUMPTIONS BUILT INTO IT AND IS MORE DIFFICULT TO ESTIMATE THE FURTHER OUT WE GO. SO I JUST WANTED TO HIGHLIGHT SOME OF THESE ASSUMPTIONS THAT ARE ALREADY IN THE BASE CASE.

Mayor Lane: JUST SO THERE WASN'T ANY CONFUSION, I DID WANT TO POINT OUT THE FACT THAT THE \$700,000 TO \$900,000, THOSE NUMBERS, THE \$1.3 AND \$1.9. THOSE ARE ALL NEGATIVE NUMBERS RATHER THAN ADDS AS THE OTHERS ARE.

[Time: 02:55:40]

Lee Guillory: WELL, THEY'RE ALL ADDS AT THE MOMENT THAT COULD GO AWAY. AND ANOTHER REVENUES OF \$2 MILLION THAT ARE BUILT INTO THE ASSUMPTIONS MAY NOT MATERIALIZE. THE CONSTRUCTION SALES TAXES AT \$700,000 AND \$900,000 THAT ARE IN THE FORECAST MAY ALSO GO AWAY.

Mayor Lane: OKAY. I'M SORRY. JUST SO THE \$700,000 TO \$900,000. THAT IS IN THE FORECAST, AND MAY GO AWAY OR.....

Lee Guillory: WE ARE ASSUMING THAT WE ARE GOING TO COLLECT THAT RIGHT NOW AS IF IT CONTINUES AT THE POINT OF CONSTRUCTION.

Mayor Lane: SO THE CURRENT FORECASTED NUMBER OF REVENUES WE HAVE INCLUDE THOSE NUMBERS. BUT THEY MAY GO AWAY.

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Lee Guillory: THAT IS CORRECT. SO IF I GO BACK TO THE FIRST SLIDE, THE \$246.5 MILLION IN 14-15. THAT ASSUMES WE WILL TAKE THE \$500,000 PROPERTY TAX 2% ALLOWANCE. AS SOON AS WE GET \$2 MILLION OF NEW REVENUE S, IT ASSUMES THE \$700,000 TO \$900,000 OF CONSTRUCTION SALES TAXES THAT WE THINK ARE COMING AT THE POINT OF CONSTRUCTION WILL STAY AT THE POINT OF CONSTRUCTION. SO THESE ARE ALL POTENTIAL REVENUES THAT MAY GO AWAY AND WOULD END UP CAUSING THE UNRESERVED FUND BALANCE TO BE IMPACTED.

Mayor Lane: BUT THEY'RE ALL, AS FAR AS THE REVENUE SIDE, THEY'RE ALL CURRENTLY INCLUDED IN THE NUMBER?

Lee Guillory: THAT IS CORRECT.

Mayor Lane: I'M SORRY FOR MY CONFUSION.

Lee Guillory: I WAS HOPING TO MAKE THIS A SIMPLE PRESENTATION, BUT IT'S NOT. EVERY TIME WE TALK THIS MANY NUMBERS. SO THIS IS THE REVISED CASE. SO IT BASICALLY BUILDS ON THE BASE CASE THAT WE HAVE ALREADY DISCUSSED AND ALL THE ASSUMPTIONS THAT ARE CURRENTLY IN THERE. THESE ARE EVENTS THAT WE HAVE KNOWN ABOUT SINCE WE PUBLISHED THE BUDGET. AND SO THE FIRST TWO LINES ARE BASICALLY JUST FROM THE PRIOR SLIDES.

IT'S THE BEGINNING IN THE UNRESERVED FUND BALANCE AND THE SOURCES AND USES FROM A BASE CASE. THE ONLY CHANGE WOULD BE THAT WE ESTIMATE THAT WE'RE GOING TO START FISCAL SCHOOL YEAR 13-14 A MILLION DOLLARS HIGHER IN THE UNRESERVED FUND BALANCE DUE TO FISCAL YEAR 12-13 RESULTS. THOSE RESULTS ARE NOT FINALIZED YET SO THIS IS AN ESTIMATION. SO IN THE PRIOR SLIDE I THOUGHT WE WOULD BE STARTING 13-14 AT \$12.6 MILLION IN OUR FUND BALANCE. WE THINK IT WILL BE A MILLION DOLLARS HIGHER. AS WE ALREADY KIND OF DISCUSSED, THE SALES TAX REVENUES, SINCE THE BASE CASE, WOULD REVISE THEM UPWARDS BASED ON THE ACTIVITIES THAT WE SAW IN FISCAL YEAR 12-13. NOW WE KNOW THAT THE RESULTS HAVE COME IN STRONGER THAN WHAT WE WERE SEEING IN THE SPRING, SO THE IMPACT WOULD BE SEEN IN EACH YEAR. SO WE'RE THINKING WE'LL START 13-14 AT \$1.8 MILLION HIGHER THAN WHAT WE ORIGINALLY PROJECTED. THAT REPEATS ITSELF EACH YEAR IN THE OUTER YEARS.

[Time: 02:58:48]

THE STATE SHARED INCOME TAX NUMBER, THE \$800,000 ADDITIONAL REVENUE IN 14-15 IS BASED ON THE FACT THAT THE 12-13 INCOME TAXES ARE NOW KNOWN. THEY CAME IN HIGHER. THIS IS THE PORTION THAT WILL BE DISTRIBUTED TO THE CITY, ASSUMING THAT POPULATION ESTIMATES DON'T CHANGE, SO THIS IS PRETTY MUCH A KNOWN INCREASE TO THE PROJECTIONS. WE'VE ALSO SEEN CABLE TV FEES COME IN HIGHER BY ABOUT \$400,000 A YEAR SLIGHTLY OFFSET BY A REDUCTION IN LIBRARY REVENUES. SO WE SEE AN ADDITIONAL \$300,000 A YEAR COMING IN FOR THOSE TWO LINES. AFTER THE BUDGET WAS PREPARED, WE ALSO DO THIS LINE WE REFER TO AS DEBT RESTRUCTURING WHERE WE PAID OFF THE CORE OF ENGINEERS DEBT, A LITTLE OVER \$200,000 A YEAR. SO THAT WILL IMPROVE OUR NUMBERS. WE ALSO HAVE AN ONGOING POTENTIAL AGREEMENT WITH LUND AUTO DEALERSHIP THAT IF THEY BUILD A DEALERSHIP UP NORTH THERE WAS GOING TO BE SOME MONEY RETURNED TO THEM. THAT WAS SHOWN IN 14-15 AND WE KNOW NOW THAT THAT WILL NOT OCCUR SO ITS BEEN BUMPED OUT A YEAR, SO THAT'S CAUSING THE INCREASE IN REVENUES IN 14-15 BUT

CAUSING THE DECREASE IN 15/16 SO IT'S JUST A RESTRUCTURING OF THAT DEBT. WE ARE ALSO SEEING HIGHER CLAIMS IN OUR RISK AREA THAT COULD BE A USE OF FUNDS. THIS IS BEING DRIVEN BY LIABILITY CLAIMS, WORKMEN'S COMP CLAIMS, ETC. WE'RE THINKING THAT COULD BE UPWARDS OF \$1.5 MILLION IMPACT TO THE GENERAL FUND STARTING IN 14/15.

[Time: 03:00:37]

THE NEXT LINE ITEM, FIRE STATION 602 IS, JUST ACTUALLY WE OVERCORRECTED IN THE OUTER YEARS FOR THIS LINE ITEM AND IT SHOULD NOT HAVE HAPPENED SO THIS IS JUST A REVERSAL OF THAT. AND WHENEVER WE HAVE CHANGES TO SEVERAL OF THE EXPENSE LINE ITEMS, IT IMPACTS OUR GENERAL FUND OPERATING RESERVE WHICH IS SET AT 10% OF THE OPERATING EXPENSES OF THE GENERAL FUND AND THE TRANSPORTATION FUND, SO SEVERAL OF THESE LINE ITEMS CAUSE THE GENERAL FUND RESERVE TO HAVE TO BE FUNDED AT A HIGHER DOLLAR AMOUNT. THAT WOULD BE A USE OF SOME OF THESE FUNDS.

THE NEXT ITEM IS RESTORING THE CONTINGENCY RESERVE IN 14/15. EARLIER THIS EVENING, YOU OPPOSED THE USE OF \$1.75 MILLION FOR THE IMPROVEMENTS TO THE GARAGES AND THAT CAME FROM THE OPERATING CONTINGENCY SO THAT WOULD HAVE TO BE REPLENISHED IN 14/15 TO MAINTAIN THAT BALANCE, SO THE BOTTOM LINE HERE IS THE ENDING UNRESERVED FUND BALANCE, SO WE ACTUALLY HAVE MORE PLUSES THAN MINUSES THAN 13/14. SO YOU'LL SEE SOME INCREASES TO THE ENDING FUND BALANCE IN ALL THE YEARS, SO WE SHOW IN 13/14 THAT WE WOULD ESTIMATE RIGHT NOW ABOUT A \$5.4 MILLION ENDING RESERVE FUND BALANCE, INCREASING IN 14/15 AND 15/16 GIVEN THESE ASSUMPTIONS.

[Time: 03:02:13]

NOW I'D LIKE TO SWITCH AND PRESENT THOSE SAME NUMBERS AS MY BEGINNING UNRESERVED FUND BALANCE ON THIS SHEET AND TALK ABOUT THE TWO PROPOSALS THAT YOU'RE ABOUT TO DISCUSS AND THE FIRST ONE WILL BE THE FIRE STAFFING. I HAVE SELECTED THEIR OPTION A TO REFLECT HERE THAT THAT WOULD BE AN ONGOING IMPACT TO THE GENERAL FUND OF ABOUT \$800,000 A YEAR. IT'S A LITTLE HIGHER IN THE CURRENT YEAR BECAUSE THERE'S SOME ADDITIONAL TRAINING COSTS AND AGAIN, THIS IS A LINE ITEM THAT WHEN YOU INCREASE THE OPERATING EXPENSES, YOU'D WANT TO INCREASE THE GENERAL FUND RESERVE AS WELL. THE SECOND PROPOSAL YOU'LL HEAR ABOUT WOULD ALSO BE THE POLICE COMPENSATION. YOU'LL GET MORE DETAILS ABOUT THIS BUT BASICALLY, THE COUNCIL DIRECTION WAS TO LOOK AT USING TIME FUNDS OF \$2.5 MILLION IN 13/14 AND THE NEW PROPOSAL WILL BE NOT TO USE THOSE ONE-TIME FUNDS SO I'M SHOWING THEM AS COMING BACK INTO THE GENERAL FUND BUT INSTEAD THERE WOULD BE A USE OF ONGOING FUNDS OF 1.8 MILLION IN THE CURRENT YEAR INCREASING TO 3.5 MILLION NEXT YEAR AND GOING UP IN THE NEXT FOLLOWING TWO YEARS. AGAIN, THIS HAS AN IMPACT TO THAT 10% FUND RESERVE WHICH IS SHOWN ALSO ON THIS SLIDE. THE BOTTOM LINE IMPACT IS THESE ARE FAIRLY SIGNIFICANT USES OF THE GENERAL FUND AND WOULD DRAW THE UNRESERVED FUND BALANCE INTO A NEGATIVE POSITION IN 15/16 AND ALMOST DEplete IT IN 14/15 AS WELL AND THEN LARGER INCREASES ARE IN THE OUTER YEARS AS WE CONTINUE TO GO, SO I JUST WANTED TO GIVE YOU AN UPDATE THAT IF THOSE PROPOSALS WERE PASSED THAT NO OTHER CHANGES WOULD BE MADE DEFINITELY UNSUSTAINABLE AND THIS WOULD BE THE RESULT TO THE GENERAL FUND UNRESERVE FUND BALANCE. AND AT THIS POINT, I'LL OPEN IT UP FOR QUESTIONS.



Mayor Lane: WELL, I SEE NO OTHER QUESTIONS AT THE PRESENT TIME BUT THAT DOESN'T MEAN YOU'RE CLEAR. WE MAY BE BACK.

[Time: 03:04:48]

Fire Chief Tom Shannon: GOOD EVENING MAYOR, MEMBERS OF THE COUNCIL. TONIGHT WE'RE GOING TO TALK A LITTLE BIT ABOUT THE FIRE DEPARTMENT STAFFING IN GENERAL, AND RELATED COUSIN TO THE ORDINANCE CONVERSATION. PREVENTION OF COURSE IS A KEY FACTOR TO ANY PUBLIC SAFETY PLAN BUT THE CONSEQUENCE MANAGEMENT RESPONSE IS REALLY WHAT WE'RE GOING TO BE TALKING ABOUT HERE. YOU MAY RECALL THAT IN MAY OF THIS LAST YEAR, YOU APPROVED \$425,000 TO OUR OVERTIME BUDGET TO ENHANCE STAFFING IN GENERAL TO THE FIRE DEPARTMENT. THIS OBVIOUSLY HAD A DIRECT IMPACT TO STATION 602. THAT IS BECAUSE THAT IS THE ONLY REMAINING MULTI-COMPANY STATION AND FOR THAT REASON, IT'S THE ONLY SOURCE WE HAVE TO DRAW FROM IF WE ARE GOING TO CONSIDER THE USE OF STAFF AND IN A WAY THAT INDUSTRY TERM CALLED BROWNING OUT A UNIT, LEAVING ONE UNIT AVAILABLE IN EVERY RESPONDING FIRE DISTRICT IF YOU WILL AND BROWNING OUT THE SECOND COMPANY THAT HAD BEEN DEDICATED TO THAT AREA. THE GOAL OBVIOUSLY WAS TO RETURN STAFFING TO ITS INTENDED LEVELS. I'LL TALK TO YOU A LITTLE BIT ABOUT HOW WE CAME TO THAT DECISION AS A HISTORY OF THE ORGANIZATION BUT IT WAS INTENDED TO ENHANCE STAFFING OVER THE COURSE OF THE DOWNTURN IN THE ECONOMY. WE LIKE EVERY OTHER DEPARTMENT AND DIVISION IN THIS CITY WAS FORCED TO MAKE SIGNIFICANT CUTS AND WE OBVIOUSLY HAD ONLY SO FAR TO GO BEFORE WE WERE IMPACTING OPERATIONS. THE BASIS FOR THIS REQUEST WAS OBVIOUSLY BECAUSE WE HAVE INSUFFICIENT FTE'S TO MATCH THE DAILY NEED FOR THE NUMBER OF ENGINES, LADDERS AND COMMAND VEHICLES THAT WE STAFF EVERY DAY. THE INCREASE TO THE FIRE DEPARTMENT OVERTIME BUDGET WOULD ENHANCE OUR ABILITY TO FULLY STAFF ENGINE 602 OPTIMALLY AS LONG AS WE COULD MAKE THAT OVERTIME LAST AND OBVIOUSLY THAT OVERTIME WAS ADDED TO OUR POOL OF OVERTIME THAT WE MANAGE AS A DEPARTMENT OVER THE COURSE OF THE YEAR.

[Time: 03:07:04]

WE ALSO, AND THIS IS VERY IMPORTANT, USE A STAFFING CALCULATOR AND IF NECESSARY WE CAN GET INTO THE USE OF THAT TOOL WITH ASSISTANT CHIEF FREEBURG, THAT IS BASED ON EMPLOYEE RELIABILITY. EVERY EMPLOYEE COMES TO WORK A CERTAIN AMOUNT OF TIME AND THEY TAKE LEAVE A CERTAIN AMOUNT OF TIME. THAT TRENDING OVER THE COURSE OF THE HISTORY OF THE ORGANIZATION GOES UP AND DOWN AND WE USE THAT TO FORECAST ANY SALARY NEEDS OR OVERTIME REQUESTS. THE EFFECT OF THE \$425,000 WAS THIS: WE KNEW THAT WITH THE ABSENCE OF TWO COMPANIES AT FIRE STATION 602 IN THE 12/13 FISCAL YEAR, WE HAD 1.1 TRUCKS THERE AND IN THE PRECEDING YEAR WE HAD 1.9 TRUCKS THERE, SO ENGINE 602 WAS IN SERVICE 90% OF THE TIME THE PRECEDING YEAR AND IT WAS OUT OF SERVICE 90% OF THE TIME IN 12/13. WE KNEW WITH THAT \$425,000 WE WOULD SEE THE ABILITY TO UPSTAFF ENGINE 602. YOU MAY RECALL IN THIS YEAR'S BUDGET EFFORT, WE FOCUSED A LOT ON WHAT'S GOING ON AROUND ENGINE AND LADDER 602 IN 602'S AREA AND WHAT'S HAPPENING IN THE SURROUNDING AREAS. WHAT THIS SLIDE DEMONSTRATES THAT FROM A COMPARABLE PERIOD OF TIME, MAY 17, 2012 TO SEPTEMBER 3, 2012, WE SAW AS PREDICTED THAT THE UNITS IN SERVICE AT STATION 602 WAS QUITE BUSY AS REFLECTED BY THE BAR GRAPH. SIMILARLY, ENGINE 601, ENGINE 603 WERE ALSO VERY BUSY BECAUSE THEY ARE RUNNING

THEIR OWN CALLS AND RUN CALLS FOR STATION 2. IN THE VERY SAME COMPARABLE TIME FRAME IN THIS PERIOD WE SEE WITH THE ADDITION OF THE DOLLARS THAT BY HAVING ENGINE 602 AVAILABLE THEY ARE ABLE TO MANAGE THE CALLS TO SERVICE IN THEIR FIRST AREA AND WE'LL TALK TERMS IF NECESSARY WHICH LEAVES ENGINE 601 IN THEIR FIRST TWO AREA AND ENGINE 603 IN THEIR FIRST AREA MORE PREDICTABLE, MORE RELIABLE. WE ALSO OF COURSE PARTICIPATE IN THE AUTOMATIC AID SYSTEM AND WE SAW IT IN THE PAST BUDGET PRESENTATIONS THAT WE HAD AN IMPACT IN TEMPE AS WELL AS PHOENIX. WE HAVE SEEN THE CORRESPONDING DROP IN THOSE UNITS COMING INTO OUR CITY AND SUPPORTING ENGINE 602. BRIAN, IF YOU CAN GO TO THE ELMO. OKAY WHAT YOU'RE LOOKING AT HERE IS THAT ENGINE 602 IN THIS SAME TIME FRAME RESPONDED INTO ENGINE 602 OR FIRE STATION 603'S AREA 146 TIMES IN THE SAME CORRESPONDING TIME PERIOD THIS YEAR, WE SAW THE PREDICTED REDUCTION IN RESPONSE. IT'S INTERESTING TO NOTE THAT THE RESPONSE TIME ISSUE WAS A PART OF THE CONVERSATIONS LAST BUDGET PROCESS IN THAT WHEN UNITS ARE AVAILABLE IN FIRE STATION 602'S AREA THEY HAVE A VERY RELIABLE RESPONSE TIME. YOU CAN SEE THAT THEY'RE WITHIN A VERY REASONABLE LEVEL OF RESPONSE. WHEN ENGINE 601 IS REQUIRED TO COME INTO THAT SAME AREA, YOU CAN SEE THAT THE PREVIOUS YEAR, THEY WERE SLOW. THEY HAVE IMPROVED THEIR RESPONSE TIME THIS YEAR WHEN COMING IN. IT'S HARD WHAT TO PIN THAT ON BUT WE HAVE SEEN THAT CHANGE. OBVIOUSLY 603 WAS IMPACTED 109 TIMES IN THE PREVIOUS YEAR AND ONLY 15 TIMES IN THIS SAME PERIOD OF TIME. YOU DO SEE THEIR RESPONSE TIMES CREEPING UP AS WE PREDICTED WHEN THEY ARE COMING FROM FARTHER AWAY IT'S GOING TO TAKE THEM OBVIOUSLY LONGER TO GET THERE. PHOENIX HAD 50 INCIDENTS, THEY'VE REDUCED TO 29 WITH A RELATIVELY FLAT RESPONSE TIME AND TEMPE SIMILARLY AND I APOLOGIZE WE COULD NOT PULL A DATA. THIS WAS A MANUAL PULL. WE COULDN'T PULL THE DATA FOR THIS RESPONSE TIME BUT WE DO KNOW THAT TEMPE IS NOT COMING INTO THE SOUTHERN PART OF THE CITY AS MUCH WITH ENGINE 602 IN SERVICE. BRIAN, THANKS.

Mayor Lane: CHIEF I WONDER IF YOU CAN KEEP THAT UP FOR A MOMENT.

Chief Shannon: YOU BET.

[Time: 03:12:08]

Mayor Lane: JUST TWO THINGS THAT YOU WERE TALKING ABOUT. ONE IS THE AUTOMATIC AID TRANSFER AND I KNOW WE HAD SOME AT LEAST INDICATIONS LAST TIME THAT THERE WAS A LOPSIDED EFFECT THAT THEY WERE COMING INTO OUR TERRITORY, FAR MORE THAN WE WERE ASSISTING THEM, AND SOME OF THE DATA THAT'S BEEN ACCUMULATED SINCE THEN SORT OF GOES TO THE OPPOSITE DIRECTION ON WHAT WE'VE GIVEN VERSUS WHAT WE'VE RECEIVED AND IN MOST INSTANCES EITHER TOTAL ASSETS OR IN DISCRETE INCIDENTS IT INDICATES SUBSTANTIAL NUMBER OF US GIVING MORE TO THE AUTOMATIC AID THAN WE'RE GETTING AND I WONDERED, HOW DOES THAT, I REALIZE THIS MAY BE, ACTUALLY THIS MAY BE SYSTEM WIDE BUT AT THE SAME TIME IT'S FAIRLY SUBSTANTIAL NUMBERS. IS EVERYWHERE ELSE WE'RE GIVING AND ONLY IN 602 WE'RE RECEIVING? I'M EXAGGERATING TO MAKE THAT POINT.

Chief Shannon: NO, I UNDERSTAND. MAYOR, MEMBERS OF THE COUNCIL, THIS IS THE CURRENT DATA THAT WE HAVE THAT SHOWS GIVE AND GET IF YOU WILL AND AS YOU CAN SEE, WE GIVE INDIVIDUAL UNITS GREATER THAN THE SYSTEM, TEMPE, PHOENIX AND ANY OTHER PARTICIPANT IN THE AUTOMATIC AID SYSTEM GIVES TO US. I CAN ATTRIBUTE THAT INTELLECTUALLY, I HAVE NO DATA TO

SUPPORT THIS AND WE'RE CERTAINLY MINING THE DATA CONTINUALLY. IT HAS A LOT TO DO WITH THE FACT WE HAVE SEVEN TO NINE STATIONS ALONG OUR VERY LONG BORDER WHERE WE TRADE INCIDENTS AND IF YOU'LL GIVE ME JUST A MINUTE TO FIND THE GRAPH THAT REFLECTS OUR POLYGONS, WE HAVE THESE FIRST AREAS THAT CROSS OVER EACH OTHER AND THEY ARE FOUR MINUTES AWAY FROM EACH OTHER SO WHAT YOU'RE SEEING HERE IS THAT AS IT RELATES TO OUR PARTICULARLY OUR EASTERN BORDER OR THE CITY AS A WHOLE ON AVERAGE, WE GIVE MORE TO THE SYSTEM THAN WE GET BY INDIVIDUAL RESOURCE, THANK YOU, RYAN. SO THIS IS THE MAP THAT REFLECTS OUR POLYGONS, AND YOU CAN SEE THAT THESE ARE THE CORRESPONDING AUTOMATIC AID STATIONS. THEY WOULD BE THE MOST LIKELY TO CONTRIBUTE TO SCOTTSDALE INCIDENTS IF CALLED UPON AND WE WOULD OBVIOUSLY BE THE MOST LIKELY JURISDICTION TO CONTRIBUTE TO THEIR INCIDENTS IF CALLED UPON AND WHAT WE SEE STATISTICALLY IS WHEN WE ARE CALLED INTO PROVIDE ASSISTANCE TO THE SYSTEM, WE DO THAT AT ABOUT 1.1 PIECES OF EQUIPMENT PER CALL. WHEN WE RECEIVE SUPPORT FROM THE SYSTEM WE RECEIVE AT ABOUT 1.4 PIECES OF EQUIPMENT PER CALL SO IT'S KIND OF A CONFUSING CONCEPT BUT WHEN YOU THINK ABOUT THE NUMBER OF TRUCKS ROLLING INTO THE COMMUNITY THEY TEND TO GIVE US MORE WHEN THEY COME BUT WE TEND TO GO OUT MORE THAN THEY COME.

WHEN WE CONTRIBUTE TO THE SYSTEM, WHEN WE GO OUT, WE GO OUT AT AROUND 1.1 PIECES OF EQUIPMENT TO PROVIDE, A HOUSE FIRE ON THIS BORDER WOULD RESULT IN TWO SCOTTSDALE PIECES OF EQUIPMENT AND ON AN AVERAGE THAT'S LIKE A 1.1-1.2 PIECES OF EQUIPMENT. WHEN THEY COME IN THEY COME IN WITH ABOUT 1.4 PIECES OF EQUIPMENT SO THEY GIVE US MORE STUFF WHEN THEY COME BUT THEY COME LESS THAN WE GO IF THAT MAKES SENSE.

Mayor Lane: NO, I HEAR YOU. I UNDERSTAND. I'M NOT SURE EXACTLY HOW THAT WORKS INTO THE EQUATION OF GIVE AND TAKE BUT YOU'RE JUST TALKING ABOUT THE EXTENT OF EQUIPMENT.

[Time: 03:16:04]

Chief Shannon: RIGHT, SO CAN I TALK A LITTLE BIT ABOUT THE IGA? THE IGA IS THE BINDING AGREEMENT THAT COUNCIL ACTUALLY RECENTLY APPROVED IN THE MARCH COUNCIL ACTION THAT DESCRIBES WHAT THE RULES OF ENGAGEMENT ARE AND IT SAYS VERY SPECIFICALLY THAT THE SYSTEM, ALL PIECES OF EQUIPMENT ARE IN THE SYSTEM, ALL LADDERS AND ENGINES AND COMMAND VEHICLES ARE IN THE SYSTEM, TO THE SUPERSTITIONS TO BLACK CANYON, TO THE GILA RIVER INDIAN COMMUNITY. ALL THOSE PIECES OF EQUIPMENT, ABOUT 440 PIECES OF EQUIPMENT TO BE SPECIFIC, ARE IN. THERE IS NO ACCOUNTING FOR WHO GIVES AND GETS MORE BECAUSE IT ALL WASHES, COMES CLEAN IN THE WASH. OUR AUTOMATIC AID CONTRACT IS ABOUT \$1.1-\$1.2 MILLION A YEAR ANNUALLY. THE VALUE OF AUTOMATIC AID IS IN MY PROFESSIONAL OPINION UNQUESTIONED IN THAT TO SELF-DISPATCH AND TO RELY ON THE 16 ENGINES, TWO BATTALION COMMAND VEHICLES AND SMALL NUMBERS OF ADDITIONAL RESOURCES THAT WE HAVE WOULD NOT BE ADEQUATE RESOURCES FOR US TO SATISFY THE FIRE SERVICE PROBLEM HERE IN THE CITY WHICH IS WHY IN 2004, THE CITY MADE A DECISION TO COME INTO THE AUTOMATIC AID SYSTEM AFTER YOU WERE WITHOUT THE FIRE SERVICE PROTECTION.

Mayor Lane: WELL CHIEF WE MOVE FROM A MUTUAL AID AGREEMENT TO AN AUTOMATIC AID WHICH OBVIOUSLY ENCOMPASSED A COMMON DISPATCH AREA, SO IT WASN'T LIKE WE CAME OUT OF THE WOODS, WE WERE ALONE BY OURSELVES FOR A LONG TIME. WE DID HAVE A MUTUAL AID AGREEMENT

EVEN THOUGH THERE WAS ROUGH SPOTS IN THAT AS WE WATCHED THE JACK IN THE BOX BURN DOWN BUT NEVERTHELESS THE AUTOMATIC AID IS AN EXPENSIVE COMPONENT AND FROM WHAT I UNDERSTAND IT CERTAINLY HAS BEEN INCREASING ON THE CALLS, ON THE COST PER CALL AND OF COURSE THE DISTRIBUTION BETWEEN AN AMBULANCE AND THE FIRE BUT I GUESS WHAT IT REALLY GETS DOWN TO HERE IS THERE'S A BIG DECISION FOR THIS COUNCIL TO MAKE ANY TIME THE BUDGET NUMBERS COME UP AND THE BUDGET NUMBERS ARE GOING NEGATIVE ON US AND FRANKLY TAKING US INTO AN UNBALANCED POSITION, EVEN IF WE SIMPLY AREN'T BALANCED ON THE BASIS OF REVENUES VERSUS EXPENDITURES, SO IF WE'RE CALLED UPON TO DO THIS, AND AS THE FORECAST ON REVENUES HAS ALREADY JUST DEMONSTRATED WE'VE GOT SOME THINGS THAT ARE ALREADY IN THE FORECAST TO REVENUE STREAMS THAT MAY BE QUESTIONABLE, TO THE TUNE OF FOUR OR \$5 MILLION POTENTIALLY. THAT'S IN THERE THAT MAY BE CHALLENGED. THAT COULD BE A PROBLEM SO IF WE ARE ALREADY IN A BIT OF A DARK SPOT AND I GUESS I'M LOOKING AT BOTH BECAUSE WE'RE GOING TO BE LOOKING AT BOTH OF THESE, I'M TALKING ABOUT LAW ENFORCEMENT AS WELL AS FIRE, OUR CONCERN IS MAKING SURE THAT WE HAVE SUFFICIENT DATA TO SUPPORT THAT WE HAVE A PUBLIC SAFETY ISSUE AND THAT WE'RE OPERATING AS EFFICIENTLY AS WE POSSIBLY CAN, FOR A VARIETY OF REASONS, ONE OF THEM IS ONE I STATED ABOUT A BALANCED BUDGET. THE OTHER IS OTHER OBLIGATIONS WE'RE GOING TO HAVE. WE'RE IN A VERY TOUGH SITUATION THAT WE'RE SORT OF HAVE TO CONSIDER WERE THERE ANY OTHER PARKING GARAGES THAT WILL NEED RENOVATIONS OR OTHER INFRASTRUCTURE THAT WE'LL HAVE TO TAKE OUT OF EITHER CONTINGENCY FUNDS OR OTHER THINGS OR BUYING BUILDINGS ON BELLEVIEW, BUT IN ANY CASE, I JUST WANT TO SAY I GUESS WHAT WE'RE REALLY LOOKING FOR AT LEAST WHAT I'M LOOKING FOR IS AN EXPLANATION FOR A COUPLE THINGS THAT WERE SAID LAST TIME. ONE OF THEM WAS THAT THE AUTOMATIC AID, THEY WERE COMING AND THEY WERE A LITTLE CONCERNED THEY WERE LENDING MORE TO US THAN WE LEND TO THEM AND THAT DOESN'T SEEM TO BE APPARENT EXCEPT MAYBE IN ONE CASE IN 602 AND I THINK YOU SHOWED DOCUMENTATION THERE AND I'M EVEN A LITTLE BIT MORE PERPLEXED. I'M NOT SURE IF I WANT TO PUT THAT BACK UP OR NOT, BUT THE FACT WE HAD REDUCED RESPONSE TIMES WHEN WE HAD LESS INCIDENTS AND WE WERE IN A MORE FAVORABLE POSITION AS FAR AS OUR COVERAGE IS CONCERNED, I DIDN'T KNOW EXACTLY HOW THAT HAPPENED BUT I WOULD HAVE EXPECTED IT TO BE THE OTHER WAY AROUND.

Chief Shannon: YES, LET ME PULL THE SLIDE BACK UP IF IT WILL HELP BUT WHAT THAT SLIDE SHOWED AND LET ME GO BACK, BRIAN, I'LL GO BACK. WHAT THIS SLIDE SHOWS, MAYOR IS THAT THE ANTICIPATED CHANGE WITH TWO AVAILABLE UNITS IN FIRE STATION 602'S AREA IS THEY HANDLED THEIR CALLS FOR SERVICE AND WHAT THE RESPONSE TIMES SHOW THAT IN THE PREVIOUS BUDGET PRESENTATION AND THIS ONE IS THAT WHEN ENGINE AND LADDER 602 ARE AVAILABLE THEY HAVE VERY GOOD RESPONSE TIMES AND WHEN FOLKS COME FROM OUTSIDE OF FIRE STATION 602'S RUNNING AREA STATION 1 IN SCOTTSDALE, STATION 3 IN SCOTTSDALE, PHOENIX OR TEMPE, THE RESPONSE TIMES ARE LONGER, IT TAKES THEM LONGER. WE KNOW THIS AND THAT'S WHAT THE DATA SHOWED, SO THE REALITY OF THIS REQUEST.....

[Time: 03:21:56]

Mayor Lane: JUST GOING BACK TO THAT REAL QUICKLY.

Chief Shannon: YES?

**CITY OF SCOTTSDALE  
SEPTEMBER 10, 2013 REGULAR CITY COUNCIL MEETING  
CLOSED CAPTION TRANSCRIPT**

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Mayor Lane: THOSE ARE BOTH COMPARATIVE FOR ESSENTIALLY OUR SUMMER MONTHS. IS THERE SOME REASON THAT.....

Chief Shannon: WELL THE INTENT OF THIS SLIDE WAS TO SHOW YOU WHAT YOUR MONEY PAID FOR.

Mayor Lane: I SEE.

Chief Shannon: WITH THE HYPOTHESIS THAT MORE MONEY WOULD GET YOU CONTINUED IMPROVED RESULTS.

Mayor Lane: SO WHAT HAPPENED BETWEEN 5-17-2012 AND 9-3-2012 IS THAT KIND OF SKEWED RESPONSE TIME IS PROBABLY REFLECTED BETWEEN THE TIME BETWEEN 9-4 AND 5-16.

Chief Shannon: LET ME PROVIDE SPECIFICS THAT MIGHT HELP.

Mayor Lane: OKAY.

Chief Shannon: SO RESPONSE TIME, ON THE AGGREGATE, DEPARTMENT WIDE YOU CAN SEE THIS LINE IS OPTIMAL, THAT STATION 602 WHEN RESOURCES ARE AVAILABLE HAS A VERY RELIABLE RESPONSE TIME AND STATION 601 SIMILARLY, ESPECIALLY WITH THE RELOCATION OF 601 HAS RELIABLE RESPONSE TIMES. 603 PRIMARILY BECAUSE OF ITS LOCATION, THAT'S A CONVERSATION FOR ANOTHER TIME, COULD HAVE IMPROVED RESPONSE TIMES FOR ITS ENTIRE GEOGRAPHIC AREA BUT THEN AS WE SEE THE PROGRESSION OF THE SLIDE, IT SHOWS THAT YEAR-OVER-YEAR, WE SEE EITHER AN UPTICK OR AS A SPECIFIC RELATES TO 602'S AREA, THE PURPOSE OF THIS CONVERSATION, WE SEE THAT IN THE CORRESPONDING YEARS, WHEN ENGINE 601 WAS RELIED UPON TO COME INTO 602'S AREA, WE SAW THEIR OVERALL RESPONSE TIMES WERE HIGHER. THE REALITY OF FIRE STATION 602 IS BASED ON A DOCUMENT THAT COUNCIL SAW IN WORKSHOP CALLED THE STANDARDS OF COVERAGE DOCUMENT. THAT DOCUMENT IN CONCERT WITH INDUSTRY STANDARDS, THE IGA, AS WELL AS SCIENCE TELLS US THAT WE NEED TO HAVE TWO PIECES OF EQUIPMENT IN THE DOWNTOWN AREA, ONE IS A LADDER DUE TO ITS DENSITY, USES AND POTENTIAL HAZARDS. THE BASE CALLS FOR SERVICE WHEN THAT STATION WAS OPEN WAS 5,000 CALLS FOR SERVICE, SO WHEN THAT STATION OPENED IN JULY OF 2008, 5,000 CALLS A YEAR FOR SERVICE FOR TWO PIECES OF EQUIPMENT. WE'VE SEEN A 14% INCREASE IN CALLS FOR SERVICE PREDICTABLE BECAUSE WE'VE SEEN INCREASED USE IN THE DOWNTOWN AREA AND A RECOVERY OF THE ECONOMY AND WE'VE SEEN A REDUCTION IN THE BASE RESOURCES, THAT'S THE FUNDAMENTAL REASON FOR THIS REQUEST.

[Time: 03:25:06]

Mayor Lane: SO WE'RE BASICALLY WORKING OFF A DEVELOPMENT OF INCREASED INSTANCES OR CALLS IN 602 TO RESTAFF THE SECOND TRUCK?

Chief Shannon: THAT IS CORRECT. MAYOR, MEMBERS OF COUNCIL, THIS IS THE REQUEST TO BRING US BACK TO BASE IN STATION 602 BUT THE OVERALL CONVERSATION OF 13 ADDITIONAL FTE'S DESCRIBES THE DEFICIT OF FTE'S IN THE FIRE DEPARTMENT.

Mayor Lane: WHY WERE WE TALKING ABOUT EIGHT FTE'S PREVIOUSLY AND TALKING ABOUT THE PROSPECT ANYWAY OF SOME KIND OF HYBRID I SUPPOSE OF USING OVERTIME TO FILL IN FOR THOSE PERIODS OF TIME WHEN IT MAY BE MORE INTENSE THAN OTHERS?

Chief Shannon: MAYOR, MEMBERS OF THE COUNCIL THIS WAS A CONSCIOUS DECISION ON MY PART IN LAST YEARS BUDGET PROCESS, I PROPOSED EIGHT FTE'S AND AN ADDITION OF \$80,000 OR THE CORRESPONDING OVERTIME RELATED TO KEEPING THAT TRUCK IN SERVICE WOULD BE WELL OVER \$800,000. WE KNEW LAST YEAR'S NUMBERS COULD NOT SUPPORT SUCH A REQUEST AND WE KNEW THAT WE HAD TO RECOVER AS WE ALL ARE IN THIS ECONOMY BY TRYING TO ENHANCE STAFFING. CHIEF FREEBURG AND THE REST OF THE OPERATION STAFF ARE DOING A FANTASTIC JOB OF WHAT WE CALL DYNAMICALLY STAFFING. YOU MAY RECALL IN THE 12/13 BUDGET PROCESS CHIEF OLSON DESCRIBED OUR TACTIC WHEN FIRE STATION 8 OPENED WITHOUT THE ADDITION OF FTE'S WE WERE GOING TO SPREAD OUT EVERY AVAILABLE RESOURCE AND HOLD OUR BREATH KNOWING THERE WERE NO ADDITIONAL FINANCIAL RESOURCES AND THAT WAS NOT THE YEAR TO BE ASKING FOR FTE'S SO I CAME FORWARD WITH A REQUEST OF \$425,000 TO GET US AS ENHANCED STAFFING AS WE COULD OF ENGINE 602 UTILIZING THE BALANCE OF OUR OTHER OVERTIME IN OUR COMBAT OR FIELD OVERTIME LINE TO JUST DO BETTER THAN WE DID THE YEAR BEFORE AND TRY TO RECOVER IN THAT REGARD.

Mayor Lane: SO WITH THAT MONEY DID WE HAVE SOME KIND OF LIMITED COVERAGE OR WAS IT 24-7?

Chief Shannon: NO, MAYOR MEMBERS OF THE COUNCIL, ON MAY 17 BASED ON YEAR-END PROJECTIONS THAT FIRE DEPARTMENT AND PUBLIC SAFETY BUDGET STAFF PROVIDED, I SAW THAT WE HAD AVAILABLE FUNDS REMAINING IN OUR PERSONNEL SERVICES AND OPERATIONS AREA AND I MADE THE DECISION TO UPSTAFF ENGINE 602 TO GET US BACK TO BASE. WE THEN BEGAN THE PROCESS OF THE NEW FISCAL YEAR AND HERE WAS A PIVOTAL EVENT. OUR EMPLOYEE LEAVE FACTOR HAD HISTORICALLY BEEN ABOUT .13 TO LET'S SAY .12. RECENT NUMBERS SUGGEST IT'S AROUND 10% SO GONE ABOUT 10%, THAT'S HOW WE CALCULATE THE OVERTIME WE'LL NEED TO FILL THAT SEAT BECAUSE AS YOU KNOW, THE FIRE DEPARTMENT IS A CONSTANTLY STAFFED ORGANIZATION SO IF SOMEBODY CALLS OFF SICK WE MUST REPLACE THEM WITH ANOTHER BODY, SO THE DECISION TO STAFF THAT PIECE OF EQUIPMENT AND THE REMOVAL OF 10 EMPLOYEES FROM THE WORKFORCE AS A RESULT OF UNPLANNED LEAVE, INJURY, FILA, ALL THE THINGS THAT CAN HAPPEN IN AN UNPLANNED WAY, NOT VACATION, OCCURRED. MY FIRST INTRODUCTION TO THE NEW CITY MANAGER WAS HI, I'M TOM AND BLOWING THE DOORS OFF MY OVERTIME BUDGET, SO WE HAD A VERY FRANK CONVERSATION ABOUT WHAT THE PLAN SHOULD BE. HE WAS WELL AWARE OF THE PRECEDING BUDGET CONVERSATIONS AND THAT COUNCIL WOULD BE EXPECTING TO HEAR BACK FROM US ON THIS POLICY DECISION SO WE BEGAN THE PROCESS OF COMING BACK.

[Time: 03:29:12]

Mayor Lane: I THINK I UNDERSTAND AT LEAST A LITTLE MORE WE DID BEFORE I STARTED THIS CONVERSATION AND I APPRECIATE THAT. I'LL JUST REITERATE THERE ISN'T A PERSON THAT ISN'T CONCERNED ABOUT HAVING HIGHEST REGARD FOR OUR PUBLIC SAFETY FOR OUR CITIZENS AND WE WANTED TO OBVIOUSLY TO BE IN THE BEST POSSIBLE FORUM AND IF WE NEED TO PAY MORE OR WE NEED TO PAY MORE WE WANT TO DO THAT IF IT'S NECESSARY, BUT WE WANT TO MAKE SURE WE COVER EVERY BASE TO MAKE SURE WE'RE BUYING SOMETHING, PARTICULARLY WHEN IF WE CONSIDER TAKING EVERY POSSIBLE RESOURCE THAT'S AVAILABLE TO ACCOMPLISH IT AND LEAVING THE CITY

MANAGER WITH THE RECOURSE OF HAVING TO DO SOME OTHER SERVICES OR CUT SALARIES OR TO CUT OTHER PEOPLE OUT AND TO REDUCE STAFFING SOMEWHERE ELSE OR THAT WE'RE FACED WITH SOME DRAMATIC IN ADDITION TO WHAT'S ALREADY BEING PROPOSED FOR US, TAX INCREASES. I MEAN WHAT'S ALREADY IN THE FORECAST AS IT IS AND IT STILL FALLS SHORT IS THE MAXIMUM INCREASE IN THE PROPERTY TAXES THAT WE'RE ALLOWED. SO THOSE ARE SERIOUS CONSIDERATIONS FOR US. WE'RE JUST HOPING THAT WE HAVE THE RIGHT KIND OF MANAGEMENT IN THIS SITUATION SO THAT WE'RE GETTING THE BEST DOLLAR FOR I GUESS THE BEST BANG FOR OUR BUCK IS THE WAY IT SHOULD BE SAID.

Chief Shannon: MR. MAYOR, MEMBERS OF THE COUNCIL, I CAN ASSURE YOU THAT WE ARE USING EVERY SCIENTIFIC METHODOLOGY THAT WE CAN USE TO WISELY USE THE FINANCIAL RESOURCES YOU PROVIDE. THE REALITY IS THAT THERE'S A STORY BEHIND HOW WE FOUND OURSELVES TO GET HERE.

Mayor Lane: ONE THING THOUGH BEFORE YOU GO AND I WANT TO HEAR THAT STORY.

Chief Shannon: NO THAT'S OKAY.

Mayor Lane: BUT I WANTED TO SAY TOO THAT WHEN YOU'RE TALKING ABOUT STANDARDS AND I'VE BEEN IN INDUSTRIES WHERE THERE'S ARTIFICIAL STANDARD SETS AND MOTIVATIONS BEHIND SETTING THOSE STANDARDS I WANT TO MAKE SURE THOSE STANDARDS ARE BENT ON SPECIFICALLY THE EFFICIENT USE OF STAFF AND EQUIPMENT TO CREATE THE GREATEST PUBLIC SAFETY WE CAN BUT IF THERE'S ARTIFICIAL STANDARD OUT THERE THAT MAY OR MAY NOT APPLY AND MAYBE IT'S JUST A BUSY SCHEDULE, MORE THAN WE WOULD LIKE TO BE OR SOMETHING, THEN I WANT TOO MAKE SURE WE'LL BE LOOKING AT THOSE TOO.

[Time: 03:31:39]

Chief Shannon: MAYOR, MEMBERS OF THE COUNCIL I RESPECT THAT OPINION VERY MUCH AND LET ME ASSURE YOU THAT EVERYTHING THE FIRE SERVICE DOES IS BASED ON A TIME MODEL. WE KNOW THAT FIRE AND YOUR BRAIN HAVE A VERY FINITE AMOUNT OF TIME THAT WHERE INTERVENTION MUST TAKE PLACE WITH A SPECIFIC AMOUNT OF RESOURCES BEFORE BAD THINGS HAPPEN. WE USE THIS MODELING TO DETERMINE DISPATCH PROCESSING TIME. THE TIME IT TAKES YOU TO GET TO DISPATCH AND GET ON THAT PIECE OF EQUIPMENT TO DRIVE YOUR VEHICLE. WE USE THOSE SAME STANDARDS WITHIN THE STANDARDS OF COVERED DOCUMENT TO HELP PLACE THE FIRE STATION AND WHEN WE CONSIDER THE DENSITY OF THE DOWNTOWN AREA, THE USE OF THE DOWNTOWN AREA, THE DAILY INFLUX OF OCCUPANTS AND THEN FRANKLY, THE WEEKEND ACTIVITY, THESE ARE ALL INDICATIONS THAT THE COUNCIL GOT IT RIGHT IN 2006 WHEN THEY HEARD AND THERE WAS NO VOTE, THERE WAS NO MOTION, BUT TO A COUNCIL MEMBER THEY ENDORSED THAT METHODOLOGY AS BEING SOLID AND THEN ACCEPTING THAT 50 OR EXCUSE ME 5,000 CALLS PER SERVICE FOR THAT RUNNING AREA WAS THE BASE HAS BEEN THE PREMISE OF US TRYING TO GET BACK TO FULL STAFFING IN THAT LOCATION. SO I CAN ASSURE YOU THAT THERE IS ZERO CONSIDERATION AS TO THE ANYTHING OTHER THAN SCIENCE AS IT RELATES TO THIS. THERE IS AN AMOUNT OF CALLS FOR SERVICE DAILY THAT STARTS TO CONCERN US AND WHEN YOU GET AROUND 5500 CALLS FOR SERVICE, WHAT IS THE MATH, 15 AND CHANGE IN TERMS OF PER DAY THAT'S A VERY VERY BUSY FIRE STATION AND WHEN YOU HAVE ONE COMPANY HANDLING THE LION'S SHARE OF THAT AND SOMEBODY ELSE COMING INTO PROVIDE THE REST OF IT, IT'S A PRETTY SIMPLE MATH PROCESS. NOW, IN THE LAST BUDGET PROCESS YOU ASKED ME, TOM CAN

YOU TELL ME IF ANYTHING BAD HAS HAPPENED ESSENTIALLY IS WHAT YOU ASKED ME AND I SAID I CAN NOT POINT NOR CAN I STILL POINT TO SINGLE LOSS OF PROPERTY OR GREATER INJURY TO A CITIZEN OR VISITOR AS A RESULT OF THIS CONDITION. I CAN ONLY TELL YOU THAT IT WAS MY BEST ADVICE TO GET US BACK TO BASE IN FIRE STATION 602'S RUNNING AREA BECAUSE FOR THE LAST NOW SEVEN YEARS WE HAVE SEEN AN INCREASE IN CALLS FOR SERVICE AND NOW A REDUCTION IN AVAILABLE RESOURCES. IT'S ABOUT THAT SIMPLE.

Mayor Lane: GOTCHA, JUST ONE FINAL COMMENT AND I'LL GET TO SOME OF THE OTHER QUESTIONS THAT OTHERS HAVE. CHIEF I'LL SAY ABOUT TWO AND A HALF YEARS AGO, THE FIRE DEPARTMENT APPLIED FOR A GRANT TO RECEIVE I BELIEVE IT WAS NINE POSITIONS AND IT WAS TIED TO THE AUTOMATIC AID CONTRACT WAS THEN CHANGING THEIR POSITION WITH REGARD TO A TIMETABLE WE WERE ON BECAUSE WE WERE THREE AND TWO WITH THE ENGINE COMPANY AND THE AMBULANCE PROVIDING THAT TWO IN AND TWO OUT, BY SIMULTANEOUSLY BEING THERE AND IT WAS SOMETHING THAT WAS A GREAT DEAL OF ANGST AND DEVELOPMENT THROUGH A COUPLE OF COMMITTEES AND ALSO A WORK STUDY WE WENT THROUGH THAT AND ALSO STANDARDS WE EMPLOYED AT THAT POINT IN TIME. BUT IN ANY CASE, IT'S OF CONCERN WHEN WE THINK OF WHAT AUTOMATIC AID IN CHANGING THAT THEY MOVED IT TO IMMEDIATELY MOVE US TO, I UNDERSTAND ANYWAY, TO A FOUR PER ENGINE COMPANY AND I KNOW WE HAD SOME REMNANTS OF SOME COMPANIES THAT HAD THREE AND THAT WAS PART OF THE REQUISITE THAT WE WOULD MOVE TO THAT WHEN WE COULD AND I THINK THEY GOT IMPATIENT WITH OUR PROGRESS ON IT. BUT TO THE POINT OF THAT GRANT IT WAS A THREE YEAR GRANT AND THE FEDS WERE GOING TO PAY FOR THOSE POSITIONS FOR THREE YEARS. DID THEY ACCOMPLISH ANYTHING ON IT AND I THINK IT WAS NINE POSITIONS BUT I STAND TO BE CORRECTED ON THAT.

Chief Shannon: MAYOR, MEMBERS OF THE COUNCIL I THINK YOU'RE REFERRING TO THE SAFER GRANT. THE SAFER GRANT IS A GRANT THAT ASSISTANCE TO FIREFIGHTER ACT THROUGH THE GOVERNMENT, HOMELAND SECURITY OFFERS. WE HAVE NEVER BEEN A RECIPIENT. WE HAVE BEEN UNSUCCESSFUL EVERY YEAR.

Mayor Lane: OKAY.

[Time: 03:36:29]

Chief Shannon: THERE ARE A VARIETY OF REASONS THAT I THINK I CAN PREDICT WHY WE HAVE BEEN UNSUCCESSFUL. WHAT IT COMES DOWN TO IS THE DOWNTURN IN THE ECONOMY. THAT GRANT WAS GOING TO DENSELY POPULATED MAJOR URBAN AREAS THAT COULD POINT TO AN FTE THAT WAS GONE. WE WERE TRYING TO GET TO FULL STAFFING AND THAT WAS PROBABLY OUR BIGGEST LIABILITY WHEN WE GO BACK AND MAKE THAT PITCH. BRIAN COULD YOU TAKE ME BACK TO THE PRESENTATION?

Mayor Lane: WELL THANK YOU FOR THAT ANSWER.

Chief Shannon: MY APOLOGIES FOR LEADING YOU ON. SO LET ME TELL YOU THIS VERY QUICK STORY AND IT WILL HELP YOU UNDERSTAND HOW WE GOT HERE BECAUSE THE MAYOR BROUGHT UP GREAT POINTS. SO IN 2004-2005 WE SAID WE WILL STAFF AT FOUR PERSONS BUT IT WAS A SHOULD, NOT A SHALL. THAT WILL BE IMPORTANT LATER. WE THEN EMBARK UPON STAFFING THE FIRE DEPARTMENT. CHIEF MCDONALD WAS ABLE TO ACCOMMODATE 10 OF OUR STATIONS IN FULL FOUR PERSON



STAFFING AND FIVE WERE STAFFED AT THREE PERSONS AND THE SYSTEM ACCEPTED THIS AS PART OF THE TRANSITION. OVER THE COURSE OF 2006-2010 WE BEGAN IMPLEMENTING THE RECOMMENDATIONS OF STANDARD OF COVER DOCUMENT THAT COUNCIL HAD HEARD IN 2006 AND THAT INCLUDED THE CONSTRUCTION OF FIRE STATION 602 WITH TWO FIRE TRUCKS BEING HOUSED OUT OF IT AND A BATTALION. THE CONSTRUCTION OF FIRE STATION 8 AND THE RELOCATION OF FIRE STATION 1 ALL RECOMMENDATIONS WITHIN THE STANDARD OF COVER ALL BASED ON THE PROJECTED DENSITY INCREASES AS A RESULT OF THE DOWNTOWN GROWTH. NO ONE COULD HAVE PREDICTED THE DOWNTURN IN THE ECONOMY BUT EVERYONE UNDERSTOOD IT WAS GOING TO TAKE TIME TO GET BACK SO AS WE CONTINUE IN THIS STORY IN OCTOBER OF 2011 WHEN WE OPENED FIRE STATION 8 WE DID NOT HAVE THE FINANCIAL RESOURCES TO STAFF IT SO WE HAD TO DYNAMICALLY STAFF WHICH MEANT WE TOOK THE SECOND UNIT FROM STATION 1 AND ASSIGNED THEM TO STATION 8 AND WE TOOK RESCUE THAT HAD PREVIOUSLY BEEN PROVIDING SOME AMBULANCE TRANSPORTATION THROUGH OUR CONTRACT AND AUGMENTED THAT STAFFING. THAT WAS STILL NOT ENOUGH BECAUSE WE NEED 6 SEATBELTS TO CLICK EVERY DAY, WE NEED 225 PEOPLE AVAILABLE FOR 56 HOUR RESPONSE IN ORDER TO MAKE THOSE 69 SEAT BELTS CLICK. SO AS WE CONTINUE ON IN THIS STORY, THE OPENING OF STATION 8 AND THEN THE OBLIGATION OF THE SYSTEM FOR US TO FULLY STAFF THE REMAINING FIVE STATIONS AND YOU REFERENCE IT ACCURATELY MR. MAYOR, IN THAT THE SYSTEM FROM 2005-2010 HAD ACCOMMODATED THE TRANSITION PLAN AND THEY FINALLY SAID YOU MUST TRANSITION. WE DYNAMICALLY STAFFED, TOOK EVERY AVAILABLE RESOURCE, GOT EVERYBODY ON FIRE TRUCKS AND WE KNEW WE WOULD BE RUNNING THAT THIN LINE BASED ON THE RELIABILITY OF EMPLOYEES THAT PERCENTAGE THAT 10-13% OF AVAILABILITY. NOW WE MOVE INTO THE CURRENT YEARS WHERE THE REQUIREMENT, WE'VE GOT PAY STRUCTURAL ISSUES WHERE OUR OVERTIME REQUEST OR EXCUSE ME OUR OVERTIME BASE GOES FROM \$34 AN HOUR TO \$38 AN HOUR BUT YET THERE'S NO APPROPRIATION TO OUR BASE AND THAT ESSENTIALLY CONTRIBUTES TO THE RAPID EXPIRATION OF ANY AVAILABLE OVERTIME. YOUR OVERTIME THAT YOU PROVIDED IN THIS BUDGET YEAR WITH THE EXODUS OF 10 FTE'S JUST EXACERBATED THAT WHOLE EXPERIENCE. SO I CAN ASSURE YOU THAT THE DOWNTOWN REQUIRES TWO FULL COMPANIES AND THE BATTALION TO PROVIDE THAT SERVICE NOT ONLY FOR THE REGION BUT ALSO THE DOWNTOWN AREA AND THAT WOULD BE MY RECOMMENDATION MOVING FORWARD.

Mayor Lane: LET ME INTERRUPT YOU AT THIS POINT BECAUSE WE DO HAVE A COUPLE OTHER COUNCIL PEOPLE WHO WOULD LIKE TO HAVE QUESTIONS OR COMMENTS AND I'LL START WITH COUNCILMAN PHILLIPS.

[Time: 03:41:04]

Councilmember Phillips: THANK YOU, MAYOR. CHIEF AREN'T WE PLANNING ON THE NEW FIRE STATION UP NORTH?

Chief Shannon: I'M SORRY, SIR COULD YOU REPEAT THAT?

Councilmember Phillips: ARE WE PLANNING ON HAVING A FIRE STATION UP NORTH?

Chief Shannon: STATION 12 IS IN THE OUT YEARS. WE HAVE NOT IDENTIFIED CAPITAL FUNDING FOR THAT. WE'VE GOT A GENERAL GEOGRAPHY BUT THAT'S IN THE OUT YEARS.

Councilmember Phillips: AND THERE'S NO MORE SO THE ONES WE HAVE NOW, THAT'S IT?

Chief Shannon: THAT'S IT. WE HAVE 15 STATIONS, 16 PIECES OF EQUIPMENT.

Councilmember Phillips: BECAUSE WHEN I SEE WITH 7500 NEW APARTMENT UNITS AND THE HEIGHT IN THE DENSITY THIS IS JUST AN ONGOING PROBLEM. IT'S NEVER GOING TO END. WE'LL ALWAYS HAVE TO HAVE MORE COVERAGE, ALWAYS HAVE MORE EMPLOYEES, IT'S NOT JUST NOW AND THE NEXT YEAR WHAT WE NEED MORE. IT'S ALWAYS GOING TO HAPPEN. I THINK WE NEED A SUSTAINABLE PLAN FOR THE FUTURE ABOUT COMING UP WITH THE MONEY FOR THIS YEAR OR COMING UP WITH THE MONEY FOR NEXT YEAR SO IT'S A REAL PROBLEM FOR THE CITY. I MEAN IT'S COVERAGE VERSUS BUDGET BASICALLY. WE HAVE TO FIND THE MONEY. IT DOESN'T LOOK LIKE WE HAVE THE MONEY BUT IT SURE LOOKS LIKE WE HAVE THE NEED AND I DON'T HAVE THE ANSWER TO THAT AND IF I MAY I'D LIKE TO ASK OUR AWARD WINNING CITY MANAGER HIS OPINION OF WHERE WE'RE AT WITH THIS.

City Manager Fritz Behring: WELL I THINK COUNCILMEMBER YOU'VE SUMMARIZED THAT PRETTY WELL. IS THAT BASED ON THE STANDARD OF COVERAGE THAT THE COUNCIL HAS AT LEAST CONSIDERED OR ADOPTED IN THE PAST HAS EMBRACED BASED ON THE FACT THAT THE CITY OF SCOTTSDALE IS A PART OF THIS IGA WHICH PROVIDES FOR MANDATORY STAFFING OF THE LEVEL IV PERSONNEL ON EACH OF THE APPARATUS. THOSE DECISIONS HAVE CONSEQUENCES AND THOSE CONSEQUENCES TURN INTO DOLLARS AND THE NEED FOR ADDITIONAL STAFF. THE BOTTOM LINE IS IF IT'S TRULY A PRIORITY AND IF THERE TRULY IS A TRUE NEED IN THE EYES OF THE POLICYMAKERS FOR ADDITIONAL STAFFING THERE, WE'VE GOT TO PAY FOR IT. THERE'S A FEW CHOICES WE HAVE. WE EITHER ABSORB OR UTILIZE ADDITIONAL REVENUE STREAMS THAT WE HAVE IDENTIFIED GOING FORWARD, WHICH MEANS THAT OTHER OPTIONS ARE OFF THE TABLE FOR PUTTING THOSE DOLLARS INTO OTHER PROGRAMS OR PRIORITIES FOR THE CITY OR TWO, WE HAVE TO IDENTIFY EXISTING ONGOING COSTS OF THE CITY AND THE COUNCIL HAS TO BE AGREEABLE TO CUT THOSE COSTS OR THREE, SOME COMBINATION OF THE TWO. AND I'M NOT TRYING TO BE OVERLY SIMPLISTIC BUT I THINK THAT'S THE CORE OF THE ISSUE. YOU AS A POLICYMAKING BODY HAVE TO DETERMINE WHETHER THIS IS A PRIORITY. OUR JOB IS TO MAKE SURE THAT MOVING FORWARD WE ARE MANAGING THOSE OPERATIONS AND ASSETS AS EFFECTIVELY AS POSSIBLE. I CAN'T TELL YOU RIGHT NOW WHETHER WE ARE OR WHETHER WE ARE NOT BUT I'M CONFIDENT THE STAFF IS MORE THAN WILLING TO WORK WITH MANAGEMENT TO MAKE SURE THAT MOVING FORWARD, WE ARE TRYING TO UTILIZE OUR RESOURCES MORE EFFECTIVELY. WE'LL HAVE TO LOOK AT THE WAY WE DELIVER SERVICES, LOOK AT THE SERVICES WE DELIVER AND MAKE SURE THAT WE'RE NOT DOING SOMETHING THAT'S NOT COST EFFECTIVE AND EFFICIENT WITH TAXPAYERS OF SCOTTSDALE, AND I DON'T THINK THAT HAS REALLY BEEN DONE BECAUSE FOR THE LAST SEVERAL YEARS SINCE 06, THE STAFF AND THE OPERATION HAVE BEEN IN KIND OF A CRISIS MODE OF DEALING WITH A BUDGETARY CRISIS AND SLOWDOWN IN THE ECONOMY. THEY HAVEN'T HAD TIME TO DEAL WITH THAT STUFF. THEY WILL HAVE TIME IN THE FUTURE TO DEAL WITH THESE.

[Time: 03:45:02]

Councilmember Phillips: SO DO YOU HAVE YOU'RE SAYING YOU HAVE AN OPTIMISTIC VIEWPOINT AS FUTURE AS FAR AS BEING ABLE TO BALANCE PUBLIC SAFETY WITH THE REVENUE COMING IN?

Fritz Behring: THE REVENUE STREAMS LOOK BETTER GOING FORWARD BUT THE TREASURER IS COMPLETELY ACCURATE I THINK IN HER PREDICTIONS AS TO WHERE WE ARE AT. WE HAVE HAD GOOD

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COMMUNICATION ON REVENUE PROJECTIONS AND COST INCREASES. IF THE COUNCIL CHOOSES TO GO DOWN THE COURSE WITH THESE TWO PRIORITIES, YOU DON'T HAVE A LOT OF OTHER DECISIONS TO BE MAKING ABOUT ADDITIONAL SPENDING BECAUSE THERE WON'T BE ADDITIONAL MONEY TO SPEND AND IN ADDITION TO THAT, THERE'S NOT ADDITIONAL REVENUE COMING IN EVEN THOUGH THE ECONOMY'S IMPROVING AND OUR REVENUE STREAMS ARE IMPROVING. TO PAY FOR ALL OF THIS I WILL HAVE TO CUT COSTS IN OTHER AREAS AND I JUST NEED THE COUNCIL TO BE AWARE OF THAT AND, BUT I'M OPTIMISTIC TO BELIEVE THAT WHATEVER DESIRE THE COUNCIL WANTS, WHATEVER POLICY DIRECTION THE COUNCIL GOES IN, WE CAN GET YOU THERE.

Councilmember Phillips: I APPRECIATE YOUR CANDOR, THANK YOU.

Fritz Behring: THANK YOU.

Mayor Lane: THANK YOU, COUNCILMAN. COUNCILWOMAN MILHAVEN?

[Time: 03:46:21]

Councilwoman Milhaven: THANK YOU MAYOR. CAN WE GO BACK TO, YOU PUT A SLIDE ON THE ELMO, YOU SHOWED RESPONSE TIMES WHEN THE OTHER COMPANIES WERE GOING INTO 602?

Chief Shannon: YES, MA'AM. GIVE ME JUST ONE MINUTE.

Councilwoman Milhaven: I KNOW IT WAS A BLACK AND WHITE ONE.

Chief Shannon: WAS THIS THE SLIDE OR WAS THERE ANOTHER ONE?

Councilwoman Milhaven: YOU HAD A SLIDE THAT SAID WHEN 601 WENT IN, IT WAS 146 CALLS.

Chief Shannon: OH, THAT WAS IT.

Councilwoman Milhaven: THE RESPONSE TIME OF FIVE MINUTES AND 34 SECONDS I WROTE SOME OF IT DOWN.

Chief Shannon: MY APOLOGIES.

Councilwoman Milhaven: SO WHAT PERCENT OF THE CALLS SO THIS IS FROM MAY, CAN YOU MAKE THAT BIGGER BRIAN? THIS OLD LADY CAN'T READ THAT.

Chief Shannon: BRIAN?

Councilwoman Milhaven: THANK YOU. CAN YOU PULL IT DOWN SO I CAN SEE THE HEADER? SO THAT'S FROM MAY TO SEPTEMBER, SO THAT'S CONSISTENT WITH THE NUMBER. SO WHAT PERCENT OF THE TOTAL CALLS DOES THAT REPRESENT WERE HANDLED BY FOLKS OTHER THAN 602? DURING THAT PERIOD OF TIME?

Chief Shannon: LET ME LAY THIS DOWN AND SEE IF IT HELPS AND IF IT DOESN'T, I'LL SEE. THIS IS THE 12/13 YEAR OF NUMBER OF INCIDENTS INTO 602'S FIRST TWO AREAS BY 601, 550 INCIDENTS WITH AN AVERAGE RESPONSE TIME OF 540. 603 WAS 286 INCIDENTS SIX MINUTES AND ONE SECOND, PHOENIX 183 INCIDENTS, TEMPE 15. WE HAVE OBVIOUSLY SEEN, IF I PULL THAT ONE UP AND SHOW YOU THE OTHER ONE, WE'VE SEEN THE EXPECTED DECREASE AND THE REALITY IS THAT WHEN THESE COMPANIES ARE OBVIOUSLY IN 602'S AREA, THEIR FIRST DUE AREA IS NOW VACATED. SO IF WE WERE TO LOOK AT THE AUTOMATIC AID SYSTEM ON THE WHOLE, IT IS FULL OF RESOURCES THAT LITERALLY MOVE LIKE AN ORGANISM TO WHERE THE VACANCIES ARE BECAUSE OF AUTOMATIC VEHICLE LOCATORS. SO THE PURPOSE AND THE BENEFIT MR. MAYOR OF THE AUTOMATIC AID SYSTEM IS THAT WE DON'T NEED AS MANY RESOURCES TO SOLVE OUR FIRE SERVICE PROBLEM IN SCOTTSDALE BECAUSE OF THE AUTOMATIC AID SYSTEM, EVEN IF WE ARE GIVING MORE THAN WE'RE GETTING. THE DISPATCH SERVICES BY THEMSELVES ARE A BARGAIN COMPARED TO WHAT IT WOULD COST US TO DISPATCH OURSELVES BETWEEN CAPITAL AND PERSONNEL COSTS. SO I RESPECT VERY MUCH THAT THAT ALL CITIES WHO PARTICIPATE IN THE AUTOMATIC AID SYSTEM WANT TO KNOW THEY'RE GETTING VALUE FOR THE CALLS PER CALL CHARGES. I CAN TELL YOU HAVING BEEN IN THIS SYSTEM NOW FOR 26 YEARS, THIS IS THE MODEL IN THE NATION QUITE SIMPLY.

Councilwoman Milhaven: I GUESS WHERE I'M TRYING TO GO IS FOR ME THIS IS A BUSINESS JUSTIFICATION AND ONE IS WHAT'S THE VALUE AND I'M DEFINING VALUE IN MY MIND BY RESPONSE TIME. OUR CITIZENS ARE WELL SERVED IF THE FIRE DEPARTMENT SHOWS UP AND WITHIN THE RESPONSE TIME STANDARDS SO AND I CERTAINLY ENJOYED READING THE STANDARDS OF COVERAGE OVER THE WEEKEND AND LEARNED MORE ABOUT FIRE STANDARDS THAN I EVER IMAGINED THERE WERE AND WHEN I READ THOSE WHAT I UNDERSTAND IS RESPONSE TIME IS THE ADDITION OF TURNOUT TIME AND TRAVEL TIME, IS THAT RIGHT?

Chief Shannon: YES, MA'AM.

Councilwoman Milhaven: SO THE STANDARDS OF COVERAGE IF YOU ADD THOSE TWO, IT SAYS 80% OF THE TIME WE'RE SUPPOSED TO RESPOND IN FIVE MINUTES FOR A MEDICAL CALL AND FIVE AND A HALF MINUTES FOR A FIRE CALL AND SO WHAT I'M TRYING TO GET TO IS ARE WE MEETING, I SEE YOUR AVERAGE RESPONSE TIMES BUT THAT'S A LITTLE HARD TO KNOW ARE WE HITTING IT 80% OF THE TIME OR BETTER, SO THAT'S WHY MY QUESTION WAS IF THESE, IF WE WERE TO ASSUME THAT 602 IS MEETING THE STANDARD WHEN THEY RESPOND IN 602, THEN BUT WE'RE CHALLENGED AND I'M NOT SURE THAT'S THE CASE BUT IF WE ARE CHALLENGED WHEN THE OTHER COMPANIES COME INTO 602 WHAT PERCENT OF THE TIME IS THAT AND DOES THAT SAY WE AREN'T MEETING OUR OWN STANDARDS? OR ARE WE MEETING OUR OWN STANDARDS OR NOT?

[Time: 03:50:57]

Chief Shannon: MR. MAYOR, MEMBERS OF THE COUNCIL, COUNCILWOMAN MILHAVEN, HOPEFULLY THIS SLIDE REPRESENTS AT LEAST A FOCUS ON STATION 602'S AREA AND REPRESENTS THAT IN FISCAL YEAR 12/13, WE SAW THE RESPONSE TIMES INTO 602 TO COVER FOR THAT DEFICIT AS EXCESSIVE IN CONTRAST TO WHEN TWO UNITS ARE IN SERVICE, SO TO ANSWER YOUR QUESTION, THE HIGH LEVEL. WHEN THE STANDARD OF COVERAGE CONSIDER ALL FACTORS, DENSITY, USE, HAZARD, ARE WE GOING UP OR GOING OUT, ALL THE THINGS THAT YOU MUST CONSIDER WHEN YOU'RE BUILDING A FIRE DEPARTMENT, IT RECOMMENDED TWO COMPANIES, OBVIOUSLY A LADDER BECAUSE WE HAVE A NEED

FOR A LADDER. THEY ARE A FINITE RESOURCE. WHEN ALL OF THE CIRCUMSTANCES THAT WE'VE DENOTED OCCURRED AND WE HAD TO GO BELOW THAT NUMBER OF PIECES OF EQUIPMENT TO STAFF THAT DOWNTOWN, MY JOB WAS TO GET BACK TO BASE AND SO I GUESS I WOULD TELL YOU THAT WE'RE NOT AT THE 2006 STANDARD NOR ARE WE AT THE 2010 STANDARD WHICH IS REALLY WHEN WE STARTED BROWNING THIS THING OUT. MY GOAL IN THIS REQUEST IS TO GET US BACK TO BASE.

Councilwoman Milhaven: I UNDERSTAND READING THE COVERAGE THE VOLUME OF CALLS IS ONE OF THE STANDARDS WE HOLD OURSELVES TO SO I'M RESPECTFUL OF THAT BUT AT THE END OF THE DAY, I THINK IT'S HOW WELL SERVED ARE OUR CITIZENS AND HOW RESPONSIVE ARE WE, SO AND IF WE DEFINE THE STANDARD AS 80% OF THE TIME WITHIN THE STANDARD, I THINK WE NEED TO JUDGE OURSELVES, WE NEED TO REVISIT THE STANDARD OR MEASURE OURSELVES AGAINST THE STANDARD THE WAY ITS BEEN STATED. THE CITY MANAGER SAID SOMETHING THAT CAUGHT MY EAR, PARTICULARLY INTERESTING WHEN HE SAID HE'S NOT COMFORTABLE TO SAY THAT WE'RE USING OUR RESOURCES AS EFFECTIVELY AS POSSIBLE, SO EVEN THAT WE HAVE A NEW CITY MANAGER, I'M INCLINED TO GIVE HIM THE TIME TO LOOK INTO THIS A LITTLE FURTHER. I'D LIKE TO SEE HOW WE ARE PERFORMING AGAINST OUR PERFORMING STANDARDS AND WHERE THERE MAY BE SOME RISK. I UNDERSTAND THE CHALLENGE WITH INCREASING VOLUMES BUT I DON'T SEE IN THESE NUMBERS AN IMMEDIATE THREAT TO PUBLIC SAFETY. I EVEN WENT BACK TO SOME OF THE MATERIALS WE LOOKED AT WHEN WE DID THE BUDGET AND WHEN WE CONSIDERED THE 602 FUNDING AND THE ADDITIONAL FUNDING, IT SAID HERE THAT 23% OF THE CALLS IN 602 WERE COMING FROM OUTSIDE, SO EVEN IF I ASSUMED ALL OF THEM WERE OUTSIDE OF THE RESPONSE TIME, WE'RE PRETTY CLOSE TO MEETING OUR PERFORMANCE STANDARDS AND SO WHILE I WANT US TO HAVE THE VERY BEST FIRE SERVICE POSSIBLE, I DON'T SEE THE IMMEDIATE THREAT TODAY TO INCREASE THE FUNDING AND SO, BUT I CERTAINLY REMAIN OPEN TO IT AND GIVE OUR NEW CITY MANAGER TIME TO DIG INTO THIS AND BE MORE CONFIDENT, THANK YOU.

Mayor Lane: THANK YOU, COUNCILWOMAN. IS THAT A MOTION?

Councilwoman Milhaven: I'LL MAKE A MOTION, DO YOU WANT ME TO?

Mayor Lane: I THINK THAT WOULD BE CERTAINLY.....

[Time: 03:54:18]

Councilwoman Milhaven: I MAKE A MOTION TO CONTINUE THIS CONVERSATION UNTIL SUCH TIME AS THE CITY MANAGER CAN COME BACK WITH A RECOMMENDATION AND DEMONSTRATING WHERE WE ARE AGAINST OUR EXISTING STANDARDS OF COVERAGE PERFORMANCE.

Mayor Lane: AND SINCE I ASKED YOU ABOUT IT I'LL SECOND THAT, BUT I WOULD JUST SAY THAT I THINK COUNCILWOMAN MILHAVEN PROBABLY RESTATED IT BETTER THAN I SAID IT THE FIRST TIME WHEN I WAS TALKING ABOUT THE FACT THAT WE'RE ALL VERY VERY CONCERNED ABOUT PUBLIC SAFETY AS IT RELATES TO THE FIRE DEPARTMENT AND EMS AND THOSE SERVICES, BUT IT'S A ONE THING THAT WE HAVE TO MEASURE AGAINST, WHATEVER THOSE STANDARDS ARE AS TO WHAT THE PUBLIC SAFETY IMPACT IS AND I DON'T KNOW THAT I SEE IN THE NUMBERS HERE OR ONES THAT I'VE GOT HERE THAT WE HAVE A CRISIS OR NOT. BUT I AM VERY INTERESTED THE IDEA OF THE EFFICIENT USE OF ALL OF OUR EQUIPMENT AND RESOURCES ALTOGETHER, AND IF WE AREN'T IN A CRISIS STAGE,

WE CAN TAKE A LOOK AT THIS, BECAUSE I THINK THAT IF WE CAN JUSTIFY IT THROUGH COLD HARD FACTS IF YOU WILL AS IT RELATES TO HOW OUR CONSTITUENCY IS SERVED, I THINK THERE ARE MOVEMENTS WE HAVE TO MAKE, WE WILL MAKE, SO IN ANY CASE, I'LL SECOND THAT AND THAT'S MY STATEMENT ON IT, SO MOTION IS MADE AND SECONDED BY COUNCILMAN LITTLEFIELD.

[Time: 03:55:44]

Councilman Littlefield: WELL A COUPLE THINGS JUMP OUT OF WHAT WE HEARD HERE TONIGHT AND I THINK PEOPLE SHOULD PAY ATTENTION TO THOSE. NUMBER ONE, THE CHIEF MADE THE COMMENT EARLIER THAT THE REASON THAT YOU HAVE ALL OF THESE EXTRA CALLS FOR SERVICE AND THESE EXTRA DEMANDS ON AN UNDERSTAFFED FIRE STATION IS THE INCREASE IN DENSITY, HIS WORDS, AND THE INCREASE IN ACTIVITY, SPECIFICALLY DOWN IN THE ENTERTAINMENT DISTRICT. OH, WAIT WE DON'T HAVE AN ENTERTAINMENT DISTRICT, EXCUSE ME, THE BAR DISTRICT SO THE NEXT TIME SOMEBODY SAYS TO YOU THAT OR TRIES TO CONVINCING YOU THAT MORE DENSITY AND MORE BAR ACTIVITY IS GOOD FOR THE CITY BUDGET, THAT'S OBVIOUSLY NOT TRUE BECAUSE NOW WE'RE FINDING A SITUATION WHERE ALL THIS EXTRA DENSITY THAT WE APPROVED, THOSE CHICKENS ARE COMING HOME TO ROOST AND A REQUIREMENT FOR MORE MONEY TO PAY FOR MORE STAFFING DOWNTOWN. SECOND THING I'D LIKE TO POINT OUT IS THAT THIS IS A COUNCIL-CREATED PROBLEM. WE CREATED THIS PROBLEM, NOT ME, THIS COUNCIL CREATED THE PROBLEM AND NOW ALL OF A SUDDEN NOBODY IS WILLING TO PAY TO DEAL WITH THE CONSEQUENCES OF THE EXTRA DENSITY AND THE EXTRA BAR DISTRICT ACTIVITY THAT THEY APPROVED, SO NOW WHEN THE CHICKENS ARE COMING HOME TO ROOST WE'RE LIKE PAY NO ATTENTION TO THOSE CHICKENS. MAYBE THEY WILL GO AWAY. PUBLIC SAFETY AWARD WINNING CITY MANAGER, FORMER COUNTY MANAGER, WHERE HE WON HIS AWARD, HE SAID IT BEST. IT'S ABOUT PRIORITIES. WELL YOU KNOW WHAT, PUBLIC SAFETY IS THE NUMBER ONE PRIORITY IN THE CITY. IT SHOULD BE. I'LL TELL YOU WHAT. I HAD TO LAUGH AT THE DISCUSSION OF AUTOMATIC AID UP HERE AND THE QUESTION OF WELL, IS THIS A GOOD THING? IF YOU'RE HAVING A HEART ATTACK, REMEMBERING THAT 80% OF THE CALLS TO THE FIRE DEPARTMENT ARE MEDICAL CALLS, IF YOU'RE HAVING A HEART ATTACK, DO YOU REALLY CARE WHETHER THE PARAMEDIC THAT SHOWS UP AT YOUR HOUSE IS A SCOTTSDALE PARAMEDIC OR A TEMPE OR A PHOENIX? NO, YOU WANT HIM TO SAVE YOU. THE AUTOMATIC AID IS A GOOD THING. THE CITIZENS OF SCOTTSDALE ARE SAFER TODAY FOR HAVING AUTOMATIC AID. ABSOLUTELY NO QUESTION. SO THIS IS WHAT WE SHOULD BE SPENDING OUR MONEY ON. AND HE SAID IT BEST, THE CITY MANAGER, PRIORITIES. THAT'S WHAT MAKES THE DIFFERENCE. IT CRACKS ME UP HERE. WE'RE NOT WILLING TO FULLY FUND THE STAFFING AT STATION 602, BUT WE'RE WILLING TO SPEND \$4.5 MILLION ONO THE CULTURAL COUNCIL. EARLIER TONIGHT THE MAJORITY OF THIS COUNCIL DECIDED TO GET US INTO THE AFFORDABLE HOUSING BUSINESS. HELLO? IS THAT MORE IMPORTANT THAT PROTECTING PEOPLE'S SAFETY? NO, THIS IS INSANE. AND YES WE DO HAVE A CRISIS, I'M SORRY. YOU LOOK AT THAT, RESPONSE TIMES ARE BELOW STANDARD. YOU KNOW WHAT, IF YOUR HOUSE IS ON FIRE, OR YOU'RE HAVING A HEART ATTACK, YOU'RE NOT GOING TO BE HAPPY WITH THE FACT THAT COUNCIL SAYS THAT ANOTHER MINUTE HERE, ANOTHER 30 SECONDS HERE, WE CAN AFFORD THAT. BULL. NOT TRUE. THAT'S THE NUMBER ONE JOB OF THE CITY. IF WE CAN'T PROTECT OUR CITIZENS, THEN ANYTHING ELSE WE DO HERE IS WASTED.

[Time: 03:59:02]

WASTED. SO I'M GOING TO MAKE AN ALTERNATE MOTION THAT WE ADOPT OPTION A AND FULLY STAFF THAT 602 WITH A PERMANENT SOLUTION. A PERMANENT SOLUTION TO A PERMANENT PROBLEM AS OPPOSED TO IF THE OTHER OPTIONS ARE TEMPORARY SOLUTIONS TO THE PERMANENT PROBLEM. THE ONLY THING WORSE THAN A TEMPORARY SOLUTION TO A PERMANENT PROBLEM IS KICKING THE CAN DOWN THE ROAD. I'M SORRY COUNCILWOMAN MILHAVEN, THAT'S EXACTLY WHAT YOUR MOTION WAS, KICKING THE CAN DOWN THE ROAD. SO I'M GOING TO MAKE AN ALTERNATIVE MOTION THAT WE ADOPT OPTION A.

Councilmember Phillips: I CAN SECOND THAT.

Mayor Lane: SECOND LIKE TO SPEAK TOWARD IT?

Councilmember Phillips: WELL I THINK AS COUNCILMAN LITTLEFIELD SAID, PUBLIC SAFETY IS OUR NUMBER ONE PRIORITY. I FEEL CONFIDENT THAT CITY MANAGER, AND OUR TREASURER WILL FIND THE BUDGET FOR US TO BE ABLE TO DO THIS IN THE FUTURE. FIND A SUSTAINABLE WAY TO TAKE CARE OF OUR CITIZENS AND WE'LL HAVE TO MAKE THE DECISIONS ON WHERE THE MONEY GOES FOR OTHER THINGS. CASE IN POINT \$4.5 MILLION TO PERFORMING ARTS. IF THAT'S WHERE WE HAVE TO CUT THAT, IN ORDER TO HAVE SAFETY FOR OUR CITIZENS, THEN SO BE IT. I'M WILLING TO GO ALONG WITH IT.

Mayor Lane: THANK YOU COUNCILMAN.

Councilman Robbins: I WAS GOING TO ASK THIS AFTER THE FIRST MOTION WAS MADE, BUT CHIEF, IF YOU COULD, OR WHOMEVER, MAYBE LEE. SO WHAT IF WE DO CONTINUE THIS ITEM, WHAT IS THE DAILY AMOUNT THAT WE'RE LOOKING AT FOR OVERTIME. I NEED TO KNOW WHEN ARE YOU GOING TO BE BACK ASKING FOR MORE AND ARE WE GOING TO KEEP SEEING THAT OVERTIME BUDGET GETTING BIGGER, WHICH WE HAVE TO DEAL WITH. SO I'M TRYING TO FIGURE OUT, PRACTICALLY SPEAKING, WHAT'S THE TIME FRAME INVOLVED ON THIS?

Chief Shannon: MAYOR, MEMBERS OF THE COUNCIL, COUNCILMAN ROBBINS, I NEED TO MAKE A DECISION IMMEDIATELY ABOUT WHAT I'M GOING TO DO REGARDING MY OVERTIME BUDGET. THE CIRCUMSTANCES THAT I DESCRIBED, THE VACANCY OF 10 MEMBERS IN THE FIRST TWO MONTHS OF OUR FISCAL YEAR, CERTAINLY THE FIRST SEVERAL PAY PERIODS, HAS IMPACTED OUR OVERTIME GREATLY. WE'RE AT RISK OF BEING UNDERSTAFFED, INCAPABLE OF STAFFING MINIMALLY, SO I'M GOING TO HAVE TO MAKE A DECISION ABOUT WHAT WE DO AT STATION 602 REGARDLESS OF WHAT COUNCIL DOES TONIGHT. IF COUNCIL AFFIRMS THE HIRING OF BODIES, THAT WOULD BE A TEMPORARY ACTION UNTIL WE TRAIN THOSE MEMBERS, HOWEVER MANY ARE APPROVED, AND THEY'RE OUT IN THE FIELD BY JANUARY, MIDDLE OF. SO TO ANSWER YOUR QUESTION, I MUST MAKE A DECISION ABOUT THE FUTURE OF MY OVERTIME BUDGET, REGARDLESS OF COUNCIL'S ACTION TONIGHT. IS IT A FINAL FIX FOR THIS FISCAL YEAR TO REVISIT IN THE UPCOMING BUDGET PROCESS, OR IS IT A FIX FOR THE REMAINDER OF THE FALL.

[Time: 04:02:17]

Councilman Robbins: OKAY, SO IF NOTHING IS DONE UNTIL THE NEXT BUDGET CYCLE, WE BUDGETED \$425,000 NINETY DAYS AGO, THINKING THAT WAS GOING TO GET US THROUGH TILL.....

Chief Shannon: MAYOR, MEMBERS OF COUNCIL, COUNCILMAN ROBBINS, IT'S REALLY IMPORTANT NOT TO HINGE A DATE CERTAIN ON WHAT \$425,000 WAS GOING TO GET YOU. REMEMBER, THAT WAS A SPECIFIC FIGURE THAT I SELECTED TO ENHANCE STAFFING AT 602, NOT KNOWING THAT WE WERE SIMPLY NOT GOING TO BE SUCCESSFUL IN AN \$800,000 REQUEST. COUNCIL DELIBERATED ON THE EIGHT BODIES PREVIOUSLY. WHAT WE'RE FACED WITH, WE'VE EXPENDED VIRTUALLY EVERY BIT OF THAT OVERTIME AND WE ARE NOW INTO BALANCE OF OUR COMBAT, OR OUR FIELD OPERATIONS OVERTIME. SO WE MUST MAKE A DECISION ABOUT ENGINE 602 REGARDLESS OF COUNCIL'S ACTION TONIGHT.

Councilman Robbins: SO THEN IF WE WERE TO APPROVE FTES RIGHT NOW, WHAT'S THE LEAD TIME? HOW LONG UNTIL THEY'RE SEATS?

Chief Shannon: WE DO HAVE A CURRENT HIRE LIST. THE PROCESSING FOR THE NUMBER OF APPROVED FTES WOULD BE SHORT, AND WE WOULD PROBABLY HAVE AN ACADEMY START BY THE MIDDLE OF OCTOBER, THEY WOULD BE OUT BY THE MIDDLE OF JANUARY. WE WOULD DYNAMICALLY STAFF, MEANING EVERY AVAILABLE RESOURCE IS FOCUSED ON THE TRUCKS THAT WE MUST KEEP IN SERVICE, AND IF WE HAVE TO BROWN OUT 602, WE DO THAT BUT AS A LAST RESORT. WE'VE USED THIS SAME TECHNIQUE IN ALL OF 2012/13 AND WE CAME IN UNDER BUDGET. WE CAME IN UNDER BUDGET, NOT BY MUCH, AND IN MY OVERTIME LINE I WENT OVER. IN THE ROLL-UP WE CAME IN UNDER BUDGET BUT THIS IS LITERALLY CHESS THAT WE'RE PLAYING WHEN WE'RE TALKING ABOUT STAFFING FIRE TRUCKS. WE'VE GOT TO IDENTIFY THE NUMBER OF HOURS WE NEED THAT UNIT TO BE IN SERVICE AND WHO'S AVAILABLE TO WORK.

Councilman Robbins: AND EXPLAIN TO ME AGAIN WHY WE WERE TALKING AT THE LAST BUDGET CYCLE ABOUT EIGHT FTES AND NOW WE'RE AT THIRTEEN.

[Time: 04:04:27]

Chief Shannon: EIGHT FTES INTO THE WORKFORCE MOST DEFINITELY FIXES THE STAFFING AT ENGINE 602. ALL OF OUR ENGINES AND LADDERS IN THE CITY ARE FULLY STAFFED. WE ARE STILL OPERATING AT A DEFICIT, HOWEVER, IN OVERALL STAFFING. IF WE NEED 225 SWORN MEMBERS IN THE FIELD, WE'RE STILL AT A DEFICIT. ONE OF THE TACTICS WE USED TO GET ENGINE 602 STAFFED WAS WE PULLED TWO SWORN MEMBERS WHO WERE DOING ADMINISTRATIVE WORK IN THE TRAINING DIVISION AND WE PUT THEM IN THE FIELD. NO LONGER DOING TRAINING FOR THE ORGANIZATION, NOW WORKING IN THE FIELD. WE ALSO DO NOT CONSTANT STAFF, WE DO NOT BACKSTAFF THE COMMAND VEHICLE REQUIREMENT. SO TWO PEOPLE ARE IN THE COMMAND VEHICLE ON A DAILY BASIS. THE SYSTEM REQUIRES TWO PEOPLE. WE DON'T CONSTANT STAFF THAT SECOND PERSON. SO ONE PERSON'S GONE, WE DON'T CONSTANT STAFF. THE THIRTEEN GETS US WHOLE. IT GETS US 69 SEATS EVERY DAY, 225 FOLKS IN THE FIELD.

Councilman Robbins: DO YOU HAVE A NUMBER, AN ANNUAL BUDGET NUMBER, FOR THE EIGHT FTES. BECAUSE THIRTEEN WOULD COST US \$918,000. WHAT'S THE EIGHT NUMBER?

Chief Shannon: WHAT YOU SEE ON THE ELMO IS PROJECTIONS IF YOU WENT FORWARD ONLY WITH THE EIGHT FTES FOR THE BALANCE OF THIS FISCAL YEAR, INCLUDING A TRAINING ACADEMY, WE



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WOULD NEED \$509,655. FOR NEXT YEAR, FULL, ON-GOING, A SET-ASIDE WOULD BE REQUIRED IN THE AMOUNT OF \$614,097. THAT ENSURES THAT EVERY ENGINE AND LADDER IS STAFFED MOVING FORWARD AND THEN THE BALANCE OF THE CONVERSATION FOR FULL STAFFING IS SET FOR ANOTHER DAY.

Councilman Robbins: BASED UPON THAT INFORMATION, I'D LIKE TO MAKE A MOTION THAT WE ADD EIGHT FTES, AS YOU'VE MENTIONED THE \$509 THIS YEAR AND THEN THE ONGOING \$614,000.

Vice Mayor Klapp: SECOND.

Mayor Lane: WE'VE GOT ESSENTIALLY TWO ALTERNATE MOTIONS.

City Clerk Carolyn Jagger: YOUR HONOR. WE CAN HAVE UP TO TWO ALTERNATE MOTIONS. CURRENTLY WE HAVE A MOTION AND NOW TWO ALTERNATES. SO WE WOULD NEED TO MOVE THROUGH THESE MOTIONS BEFORE ANOTHER MOTION WAS MADE.

Mayor Lane: SO WE DO HAVE A SECOND ALTERNATE MOTION BY COUNCILMAN ROBBINS. DENNIS IF YOU WOULDN'T MIND REPEATING THAT AGAIN?

Councilman Robbins: IT IS TO ADD EIGHT FTES WHICH WOULD COST US, CHIEF, MAKE SURE I'M READING .....

Chief Shannon: \$509,655, WHICH WOULD INCLUDE, AND LET ME CONFIRM THAT, DOES THAT INCLUDE OUR TRAINING ACADEMY? YES, THAT INCLUDES OUR TRAINING ACADEMY WHICH OF COURSE WOULD BE REQUIRED.

Councilman Robbins: SO I WOULD ONLY ACTUALLY BE ADDING TO THIS YEAR'S BUDGET BECAUSE NEXT YEAR'S BUDGET WOULD BE APPROVED BY THE COUNCIL NEXT YEAR, BUT IT WOULD ADD \$614,000 IN 14/15'S BUDGET.

[Time: 04:08:24]

Chief Shannon: CORRECT. OSTENSIBLY, IF YOU MADE THAT DECISION IN THIS BUDGET YEAR.

Councilman Robbins: SO AGAIN, TO REITERATE, EIGHT FTES THAT WILL COST \$509,655 IN TRAINING AND STAFF AND THEN NEXT YEAR AT \$614,000.

Chief Shannon: THAT IS CORRECT.

Mayor Lane: I'M SORRY, VICE MAYOR, WOULD YOU LIKE TO SPEAK TO YOUR SECOND?

[Time: 04:08:53]

Vice Mayor Klapp: YES, THANK YOU MAYOR. THE ALTERNATE MOTION MAKES ME MORE COMFORTABLE. I DON'T WANT TO SEND THIS BACK EVERY DAY, AS WAS SUGGESTED BY COUNCILMAN ROBBINS, THE CLOCK IS TICKING AND WE'RE WRACKING UP OVERTIME. AND THE OVERTIME IS A

FOOLISH WAY TO SPEND MONEY. NOT TO PUT WORDS IN HIS MOUTH BUT I THINK THAT PROBABLY IN THE THOUGHT PROCESS, THE CITY MANAGER IS MANAGING 602 WITH OVERTIME IS RELATIVELY FOOLISH. WE DID PASS THAT MEASURE BACK IN JUNE AND SAID THAT AS SOON AS THERE WAS MONEY IDENTIFIED FOR EIGHT FTES, WHICH IS WHAT WE DISCUSSED IN JUNE, THAT WE SHOULD COME BACK AND DISCUSS HIRING THE EIGHT FTES. SO THAT MAKES ME FAR MORE COMFORTABLE DO WHAT WE SAID WE WERE GOING TO DO IN JUNE, AND THAT'S NOW THAT THERE'S MONEY IDENTIFIED, WE CAN PAY FOR EIGHT FTES. I'M NOT AS COMFORTABLE NOW WITH FULLY STAFFING AT THIRTEEN, DOESN'T MEAN THAT I DON'T AGREE WITH YOU THAT IT'S PROBABLY NEEDED, BUT I THINK THAT'S SOMETHING THAT NEEDS TO COME BACK TO US IN NEXT YEAR'S BUDGET AS A PROPOSAL FROM THE CITY MANAGER ON HOW MANY PEOPLE NEED TO BE FUNDED IN THE DEPARTMENT FOR NEXT YEAR. AS A MEASURE TODAY, THIS SEEMS TO ME TO BE A GOOD SOLUTION TO THE PROBLEM AND WE CAN STEM THE FLOW OF OVERTIME, WE CAN STAFF WITH TWO COMPANIES 602, AND WE CAN MOVE FORWARD IN THE PLAN THAT WE DISCUSSED BACK IN JUNE AND THIS JUST RESOLVES THAT ISSUE. RIGHT NOW TO ME, HAVING ALL THE OVERTIME WE HAVE IS LIKE POURING MONEY DOWN A HOLE. WE'RE NOT GETTING ANYWHERE WITH OVERTIME. WE NEED TO FIND A SOLUTION. I BELIEVE IT'S BETTER TO TODAY CHOOSE THE EIGHT PERSON SOLUTION WITH THE THOUGHT, AND I'M NOT SAYING WE WON'T GO TO THIRTEEN, WE'RE JUST NOT GOING TO DO IT AT THIS MOMENT IN THIS YEAR. BUT TO ASK THE CITY MANAGER TO COME BACK WITH A PROPOSAL NEXT YEAR ON HOW MANY PEOPLE ARE NEEDED TO STAFF THE FIRE DEPARTMENT.

Mayor Lane: THANK YOU VICE MAYOR. MR. WASHBURN?

City Attorney Bruce Washburn: THANK YOU MAYOR. I WANT TO SUGGEST THAT THIS MOTION PROBABLY WORKS BEST IF IT'S A MOTION TO APPROVE RESOLUTION NUMBER 9526 WITH THE EXCEPTION OF MAKING IT EIGHT RATHER THAN THIRTEEN FTES, AND WITH A CONTINGENCY TRANSFER IN THE AMOUNT STATED NEEDED FOR THE EIGHT FTES AS OPPOSED FOR THE THIRTEEN.

Councilman Robbins: OKAY, THAT'S ACCEPTABLE.

Mayor Lane: OKAY, THAT MOTION AND SECOND IS ON THE TABLE. COUNCILWOMAN KORTE.

[Time: 04:11:56]

Councilmember Korte: THANK YOU MAYOR. CHIEF SHANNON, I DON'T THINK ANY OF US QUESTION THE NEED FOR A FULLY-STAFFED FIRE DEPARTMENT THAT NOT ONLY MEETS THE NEEDS OF OUR CITIZENS BUT ALSO SATISFIES OUR AUTOMATIC AID CONTRACT. I BELIEVE AND AM GOING TO SUPPORT COUNCILMEMBER ROBBINS' MOTION BECAUSE I THINK IT'S A GOOD COMPROMISE. I THINK IT'S A GOOD STEP TO DEAL WITH OUR OVERTIME ISSUE FOR THE REMAINDER OF THE YEAR AND ALSO WILL GIVE US TIME TO IDENTIFY AND BECOME MORE COMFORTABLE WITH WHAT RESOURCES WE NEED MOVING FORWARD WITH THE NEW DOWNTOWN AND THE NEW CURRENT EVENTS SO TO SPEAK OF SCOTTSDALE. SO AGAIN I'M GOING TO SUPPORT THE EIGHT FULLTIME EQUIVALENTS BUT THAT'S NOT SAYING THAT I DON'T AGREE WITH YOUR NEEDS.

Mayor Lane: THANK YOU, COUNCILWOMAN. COUNCILWOMAN MILHAVEN.

[Time: 04:13:19]

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Councilwoman Milhaven: I HAVE A QUESTION. IF YOU GET ADDITIONAL FTE, THEY WON'T BE ONLINE UNTIL JANUARY, IS THAT CORRECT?

Chief Shannon: THAT IS CORRECT. IT'S ABOUT A 12-WEEK ACADEMY. WE'LL EXPEDITE THEIR PROCESSING AND WE'LL HAVE THEM IN MID-OR THEREABOUTS JANUARY.

Councilwoman Milhaven: WHAT HAPPENS BETWEEN TODAY AND MID-JANUARY? YOU'RE GOING TO CONTINUE TO STAFF 602 WITH OVERTIME?

Chief Shannon: NOT NECESSARILY. AS I STATED BEFORE, I AM AS A RESULT OF THE 10 VACANCIES AND THE STRUCTURAL GAP BETWEEN OUR OLD OVERTIME RATE AND OUR CURRENT, I WAS GOING TO HAVE TO MAKE A DECISION ABOUT 602 REGARDLESS. MY APPROACH WOULD BE TO DYNAMICALLY STAFF. WE HAD LAST FISCAL YEAR AND WILL UTILIZE EVERY AVAILABLE SWORN MEMBER INCLUDING ADMINISTRATIVE MEMBERS TO STAFF THAT WHEN REQUIRED. WE WILL ALSO USE THE REMAINING OVERTIME. CURRENT OVERTIME PROJECTIONS SUGGEST THAT IF WE DID NOTHING OR, THROW SOMETHING AT ME OR NOD YOUR HEAD, WE'RE AT ABOUT \$200,000 DEFICIT IF WE DISCONTINUED ON THIS PATH, FAIR? THREE? OK. OBVIOUSLY, I'M NOT GOING TO DO THAT. I AM GOING TO DYNAMICALLY STAFF ENGINE 602 UNTIL WE GET THOSE MEMBERS OUT, AND THEN WE SHOULD SEE OVERTIME FALL RIGHT OFF.

Councilwoman Milhaven: WHAT DOES THAT SUGGEST, WHAT DOES THAT MEAN FOR YOUR OVERTIME BUDGET?

Chief Shannon: I WILL COME IN AT YEAR END UNDER BUDGET.

[Time: 04:15:07]

Councilwoman Milhaven: SO, YOU'LL REDUCE, YOU'LL GO TO LESS THAN THE TWO COMPANIES AT 602.....

Chief Shannon: WE HAVE NO CHOICE. WE HAD NO CHOICE REGARDLESS OF YOUR DECISION TONIGHT. WE HAVE EXHAUSTED THE \$425,000 YOU HAVE GIVEN US AND ARE NOW INTO THE OVERTIME ALLOCATION FOR THE ENTIRE DEPARTMENT WE RELIED ON AND WE WOULD HAVE 10 MONTHS OF OVERTIME. IF EVERY SINGLE DAY WERE CONSTANT STAFFING ENGINE 602 BECAUSE OF THE MISSING PEOPLE AND VACANCY RATE, IT'S A MATH ASSIGNMENT. NOW, WE ARE GOING TO BITE THE BULLET LIKE WE DID IN '12-'13 AND '11- '12 AND SURVIVE UNTIL JANUARY.

Councilwoman Milhaven: WHEN WE GET TO THE BUDGET FOR THE NEXT COMING YEAR, I'D LIKE US TO TAKE A REALLY CLOSE LOOK AT THE STANDARDS FOR COVERAGE AND WHERE WE'RE PERFORMING TO MAKE SURE THAT OUR STAFFING IS JUSTIFIED BASED ON ALL OUR STANDARDS AND NOT SIMPLY BASED ON VOLUME. THANK YOU.

Mayor Lane: THANK YOU, COUNCILWOMAN. COUNCILMAN?

[Time: 04:16:21]

Councilman Littlefield: YOU KNOW, PEOPLE WHO ARE WATCHING THIS AT HOME ON TV MUST WONDER WHAT WE'RE DOING DOWN HERE. EVERYBODY UP HERE SAYS THEY'RE CONCERNED ABOUT PUBLIC SAFETY. I ACTUALLY HEARD SEVERAL PEOPLE SAY WE WANT TO FULLY STAFF STATION 602. OK. THEN VOTE TO FULLY STAFF STATION 602. WHY ARE WE TALKING ABOUT COUNCILWOMAN SAYS IS A COMPROMISE? SHE USED THE WORD "COMPROMISE." WHY ARE WE COMPROMISING ON PUBLIC SAFETY? WE HAD TO NOT FULLY PERFORM THE ARTS. WE INCREASED VOTING. WE VOTED TO GET INTO THE AFFORDABLE HOUSING BUSINESS AND YET I SEE PEOPLE WILLING TO COMPROMISE ON A LIFE OR DEATH SITUATION AND THAT'S WHAT THE FIRE DEPARTMENT IS. IT IS LIFE OR DEATH. THE EXTRA MINUTE COULD KILL SOMEBODY. SO, YOU KNOW, I DON'T UNDERSTAND HOW CAN PEOPLE UP HERE SAY THEY'RE CONCERNED ABOUT PUBLIC SAFETY AND THEN THINK, WELL, WE HAVE TO COMPROMISE. I'M NOT SUPPORTIVE OF EIGHT. IF YOU REALLY BELIEVE THE STATION NEEDS TO BE FULLY STAFFED WHICH SUPPOSEDLY EVERYBODY UP HERE SAYS THEY DO, IF YOU'RE REALLY CONCERNED ABOUT PUBLIC SAFETY WHICH SUPPOSEDLY EVERYBODY UP HERE SAYS THEY ARE, THEN GIVE PUBLIC SAFETY THE MONEY IT NEEDS AND CUT SOMETHING ELSE. I HAVE PLENTY OF SUGGESTIONS OF STUFF TO CUT.

[Time: 04:17:54]

Mayor Lane: THANK YOU, COUNCILMAN. WELL, SPEAKING MAYBE FOR OTHERS, I WOULD HAVE TO SAY WE DEFINITELY FOCUS ON PUBLIC SAFETY AND THAT IS OUR PRIMARY OBJECTIVE. THERE'S NO DOUBT ABOUT IT AND WE PUT A LOT OF FAITH AND TRUST IN THE MANAGEMENT IN ALL OF THESE AREAS, BUT WE ARE VESTED WITH THE RESPONSIBILITY TO MAKE SURE WE ARE ATTENDING TO GO IT AS BEST WE POSSIBLY CAN. I CAN'T OVEREMPHASIZE WHAT I MENTIONED BEFORE AND THAT IS THE FACT THAT THERE'S JUST A CERTAIN AMOUNT OF MONEY, A CERTAIN AMOUNT OF FORECASTS ON CASH AND WE HAVE TO BE VERY JUDICIOUS IN HOW WE ALLOCATE IT. TO COUNCILMAN LITTLEFIELD'S POINT WHERE OTHER THINGS CAN BE CUT, YEAH, I'M SURE THERE ARE SOME THINGS, THERE ARE COMMITMENTS THAT HAVE BEEN MADE AND THOSE ARE PAST DECISIONS AND THEY ARE IN PLACE. BOTTOM LINE IS IF IN FACT WE EXCEED THE AMOUNT OF MONEY BY EXPENDITURES BY WHAT WE TAKE IN, WE'LL HAVE TO MAKE ADJUSTMENTS SOMEWHERE ELSE. WE'RE BEING AS CAREFUL ABOUT IT AS POSSIBLE. I SEE THIS ALMOST AT THIS POINT IN TIME GIVEN COUNCILMAN LITTLEFIELD'S COMMENTS ABOUT THIS ISSUE MORE OF WHAT WAS GIVEN TO US LAST TIME WITH SOME OF THE AVAILABLE INFORMATION GIVEN TO US THAT WAS AVAILABLE TIME. I THINK WE HAVE OBTAINED A GREAT DEAL MORE INFORMATION AND I APPRECIATE THAT, CHIEF. I THINK IT'S BEEN HELPFUL FOR A LOT OF US TO GET BETTER FEEL FOR WHAT YOUR SITUATION IS. WE DO WELL UNDERSTAND THOUGH IT'S BEEN HANDLED BY WHATEVER IT IS, BITING THE BULLET OF WHATEVER IT IS, IT'S BEEN HANDLED AND DOESN'T SEEM TO HAVE HAD A CRISIS IN PUBLIC SAFETY. WE DON'T WANT TO GET THERE. THERE'S PERSPECTIVE ABOUT THAT. WE ARE LOOKING TO TRY TO MAKE SURE WE'RE HEADED IN THE RIGHT DIRECTION. I THINK THIS LAST MOTION, THIS LAST ALTERNATIVE MOTION HAS MADE PROBABLY DOES DO A COUPLE THINGS AND ONE OF THEM IS TO TRY TO GET YOU ON A TRACK TO PROTECT THE OVERTIME SITUATION. NONE OF US WANT TO SEE US WASTING MONEY ON AN EFFORT THAT'S NOT GETTING US SOMEWHERE. WITH THAT, I THINK WE HAVE AN OPPORTUNITY TO VOTE ON THE SECOND ALTERNATIVE MOTION. COUNCILMAN? YES. WHICH IS THE EIGHT FTES. ALL THOSE IN FAVOR, PLEASE INDICATE BY AYE AND THOSE OPPOSED RESPOND WITH A NAY. 6-1, COUNCILMAN LITTLEFIELD OPPOSING.

Chief Shannon: THANK YOU, MEMBERS OF THE COUNCIL.

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Mayor Lane: THANK YOU FOR THAT INFORMATION AND YOUR PRESENTATION.

[Time: 04:20:53]

Police Chief Alan Rodbell: GOOD EVENING, MEMBERS OF COUNCIL, I AM HERE TO PRESENT RESOLUTION NUMBER 9525 WHICH IS AUTHORIZING A BUDGET TRANSFER IN THE AMOUNT OF \$1.8 MILLION TO FISCAL YEAR 2013-2014 OPERATING FUND UNENCUMBERED MACRO LEVEL APPROPRIATION SPECIFICALLY DESIGNED FOR PUBLIC SAFETY COMPENSATION, PUBLIC SAFETY AND GENERAL POLICE OPERATING FUND BUDGET. I'M CHIEF ALAN RODBELL.

Mayor Lane: OBVIOUSLY, THIS TIME OF THE EVENING YOU'RE PROBABLY A LITTLE ANXIOUS. PRIOR TO BEING ANNOUNCED, WELCOME. I'M GLAD YOU IDENTIFIED YOURSELF.

Chief Rodbell: I'M STANDING BETWEEN YOU AND YOUR WEDNESDAY.

Mayor Lane: THIS IS ITEM 22. THANK YOU, CHIEF, FOR INTRODUCING YOURSELF.

Chief Alan Rodbell: I'M EXCITED. THANK YOU FOR THE OPPORTUNITY. BACK IN MAY, YOU GAVE ME THE OPPORTUNITY TO SEE IF WE CAN GET THIS RIGHT. YOU GAVE ME AN OPPORTUNITY TO COME UP WITH SOME OF THE CONCERNS WE HAD. YOU EARMARKED \$2.5 MILLION TO ADDRESS SALARY AND EQUITIES. THE COUNCIL REQUEST I COME BACK WITH A PLAN IN SEPTEMBER ON HOW WE WOULD RECOMMEND DISPERSING THE MONEY AND TO DO THAT WE LOOKED AT THE NINE POLICE DEPARTMENTS THAT WERE ACTUALLY USED AND PREVIOUSLY IDENTIFIED BY HUMAN RESOURCES IN THEIR TOTAL COMPENSATION PAY THAT THEY CONDUCTED. OUR ANALYSIS DEMONSTRATED OTHER COMPARISONS REALIZED SALARY INCREASES OVER THE PAST FIVE YEARS OF PLACING SCOTTSDALE PAY FOR TENURED OFFICERS AT THE BOTTOM OF THE LIST. THIS CHART DEMONSTRATES FOR YOU PHOENIX IS AT NUMBER ONE. HOW PHOENIX IS AT THE NUMBER ONE SPOT WITH A 4% INCREASE IN THE YEAR WHILE SCOTTSDALE AT THE BOTTOM OF THE LIST WITH A .4% INCREASE IN PAY PER YEAR OVER THE FIVE-YEAR AVERAGE. THIS DEMONSTRATES VERY QUICKLY FOR YOU HOW THAT OVERALL INCREASES OVER THE COURSE OF A FIVE-YEAR PERIOD AT 32% INCREASE IN COMPENSATION FOR PHOENIX OFFICERS AND ONLY 2% INCREASE FOR SCOTTSDALE OFFICERS.

Mayor Lane: CHIEF, PARDON ME, THIS IS SORT OF A DEMONSTRATION OVER THE COURSE OF THE LAST FIVE YEARS OF THE PERCENTAGES OF INCREASES TO THESE COMMUNITIES THROUGH THE COURSE OF THAT TIME AND SOME DIFFERENT YEARS AND SOME CATCH UP NUMBERS AND OTHER THINGS THAT THEY TRIED TO DO TO MATCH MARKET. WE'VE DONE SOME SIMILAR THINGS. ARE WE MORE TIED TO SOME PERCENTAGE OF INCREASE OR ARE WE TIED TO WHERE WE ARE IN THE MARKETPLACE?

[Time: 04:23:52]

Chief Rodbell: MAYOR, MEMBERS OF THE COUNCIL, A COUNCILMEMBER ASKED WE AT HOW WE GOT TO THE POSITION WE'RE CURRENTLY IN. THIS RESEARCH WAS DONE TO ANSWER THE QUESTION ABOUT WHAT HAPPENED IN EACH OF THE 10 JURISDICTIONS OVER THE COURSE OF FIVE YEARS THAT DEMONSTRATES WHAT TOOK PLACE. THE PROBLEM IS IT'S NOT EVEN APPLES TO APPLES. IT BECOMES FRUIT SALAD. EVERYBODY HAVE A DIFFERENT DEFINITION OF WHAT A FURLOUGH WAS OR HOW THEY COULD BE TAKEN. THERE WAS TAKEAWAYS, GIVEBACKS. THERE WERE MERIT PAY PAID OVER THE

COURSE OF THE TIME AND SOME COST OF LIVING ADJUSTMENTS. THE WHOLE PURPOSE THIS REALLY WAS THE ANSWER TO COUNCIL MEMBER'S QUESTION ABOUT HOW WE GOT TO THE POSITION WE'RE CURRENTLY IN. THIS GIVES YOU A LITTLE BIT OF THAT HISTORY.

Mayor Lane: I GUESS IF I MIGHT, JUST TO LOOK AT THE FIVE-YEAR AVERAGE, I'M CONCERNED ABOUT THE FACT THAT EACH OF THESE COMMUNITIES ARE IN A DIFFERENT POSITION WITH REGARD TO WHAT THEY MIGHT HAVE DONE TO CATCH UP OR WHAT THEY HAD TO DO IN A RECESSION AND REDUCE OR OTHERWISE, BUT THERE'S A VARIETY OF NUMBERS AND WHEN I LOOK AT FOR EXAMPLE GILBERT WITH 19.6%, ALMOST ALL COMPACTED INTO TWO YEARS I GUESS, BUT REALLY ONE IN PARTICULAR THAT REALLY DOESN'T GO TO ANY KIND OF PROGRAM OF INCREASE. IT JUST REALLY SHOWS THAT THIS IS WHAT THEY HAD TO DO TO GET PRESUMABLY BACK INTO A MARKET STANDING.

Chief Rodbell: WHAT GILBERT DID WE MIGHT REMEMBER WE TALKED ABOUT THIS THAT PRIOR COUNCIL MEETING. GILBERT ATTEMPTED TO MAKE THEIR EMPLOYEES WHOLE BY CAPTURING ALL OF THE LOSS OF COMPENSATION DURING THE ACTUAL FIVE-YEAR PERIOD. IF YOU REMEMBER, THAT SORT OF STARTED THIS CONVERSATION ABOUT WHAT WILL WE DO IN SCOTTSDALE. I BELIEVE AT ONE POINT YOU SAW PROPOSAL FOR ONE OF THE EMPLOYEE GROUPS WAS TO DO JUST WHAT GILBERT DID. AS A RESULT OF THAT CONVERSATION, YOU ASKED ME TO TAKE A LOOK AT WHAT WE CAN DO WITH THE \$2.5 MILLION ENCUMBERED FOR THIS PURPOSE. THAT STARTED THE WHOLE CONVERSATION AS YOU REMEMBER.

Mayor Lane: THIS IS IN RESPONSE TO A REQUEST FROM A COUNCIL PERSON?

Chief Rodbell: YES, SIR, THAT'S CORRECT. THIS DEMONSTRATES A SIGNIFICANT SALARY GAP BETWEEN A SCOTTSDALE POLICE OFFICER AND THE WHAT WE BELIEVE THE MARKET AVERAGE. ATTACHMENT B ILLUSTRATES THE GAP BETWEEN THOSE OFFICERS OF 5- 11 YEARS OF SERVICE. SO, TO EXPLAIN THIS, THE BLUE LINE AT THE TIME WE MADE THIS CHART WAS THE CURRENT SCOTTSDALE PAY. IT HAS MOVED TO THE GREEN LINE WITH A 2% PAY RAISE THAT JUST OCCURRED THIS MONTH. SCOTTSDALE OFFICERS ARE AT THE GREEN LINE AND THE AVERAGE IN THE VALLEY IS AT THE RED LINE. THE AVERAGE OF THE VALLEY AGENCY THAT WE HAVE INFORMATION FROM IS REPRESENTED BY THE RED LINE. THERE ARE TWO AGENCIES THAT WE QUITE FRANKLY DON'T HAVE INFORMATION CURRENTLY. PHOENIX IS STILL DEBATING WHETHER THEY ARE GOING TO GIVE BACK MORE OF THE MONEY THAT WAS TAKEN AWAY AS WELL AS BENEFITS. AGAIN, IT'S VERY DIFFICULT APPLES TO APPLES COMPARISON. THEY HAVE NOT MADE DECISIONS. PEORIA OFFERED 3.5% PAY RAISE TO THEIR EMPLOYEES. THE SUPERVISOR GROUP ACCEPTED THE 3.5 AND THE OFFICER GROUP DID NOT. THEY ARE STILL IN NEGOTIATIONS. THEY ARE NOT INCLUDED IN THESE AVERAGES. SO, WHAT YOU CAN SEE IS THAT ONE SECTION OF OFFICERS BETWEEN FIVE YEARS OF SERVICE AND 11 YEARS OF SERVICE. THERE'S A GAP BETWEEN WHERE SCOTTSDALE OFFICERS EARN AND WHAT THE AVERAGE IS WITH THE OTHER NINE CITIES.

[Time: 04:27:32]

RESOLUTION 9525, WE TALK ABOUT \$2.5 MILLION OF ONE-TIME MONEY. THE PROBLEM WITH ONE-TIME MONEY IS IT DOES NOT LITERALLY SOLVE PROBLEMS FOR US. ONE-TIME MONEY SPENDS THIS YEAR AND DISAPPEARING NEXT YEAR QUITE FRANKLY PUTS US THAT MUCH MORE DEEPER BEHIND THE CITIES THAT CONTINUE TO MOVE FORWARD. MY PLAN DOES NOT TALK ABOUT ONE-TIME MONEY AND I'LL GET INTO THAT IN JUST A SECOND, BUT IT DOESN'T USE ALL THE \$2.5. IT ACTUALLY USED ONLY \$1.8

MILLION. THE PROPOSAL ADDRESSES THE INEQUITY I JUST SHOWED YOU AND THERE IS TWO COMPONENTS OF THAT INEQUITY. THE FIRST MOVES POLICE EMPLOYEES BY INCREASING SALARY OF 5% ON THEIR REVIEW DATE. THIS IS IMPORTANT ABOUT THE REVIEW DATE. FOR APPROXIMATELY THIS TAKES CARE OF ANY KINDS OF CONCERNS THAT WE MIGHT HAVE IN COMPENSATION. THE SECOND COMPONENT ADDRESSES THAT SECTION I SHOWED YOU, THAT CURVE, WHERE OFFICERS EVEN WITH THE 5% PAY RAISE STILL REMAIN AT 10% BELOW THE MARKET. THOSE ARE THE OFFICERS BETWEEN 5 AND 11 YEARS. SO OUR ADJUSTMENTS IN THE NEXT SLIDE ARE ADJUSTMENTS IN THAT SECTION ADDRESS THAT AREA. SO TO EXPLAIN THIS IF YOU LOOK AT A FIVE-YEAR OFFICER AND WE HAVE 34 PEOPLE IN THAT CATEGORY, IF YOU LOOK AT THE FIVE-YEAR OFFICER, ON TOP OF THE 5% YOU ADD PER YEAR \$1756.00, THAT WOULD COLLAPSE THAT CATEGORY OF OFFICERS TO WHAT WOULD BE THE MARKET AVERAGE WITHIN THOSE YEARS. THESE NUMBERS IN THE RED CIRCLE ARE ACTUALLY FULL YEAR NUMBERS. BUT BECAUSE WE WOULD ACTUALLY IMPACT THIS BY, WRONG SLIDE, WE ACTUALLY GO BACK TO JANUARY WHEN WE ACTUALLY MADE THESE PAYOUTS OR THESE ADDITIONS TO THE COMPENSATION. IT'S ONLY HALF THE YEAR IN COMPARISON TO A FULL-YEAR NUMBER. WHAT THAT MEANS FOR THE CURRENT FISCAL YEAR THE IMPACT WOULD BE \$1.8 MILLION RETURNING \$700,000 OF THE \$2.5 THAT YOU ENCUMBERED AND ANALYZED IMPACT WOULD BE \$3.5 MILLION FOR 2014, 2015. I'LL ANSWER ANY QUESTIONS.

Mayor Lane: WE HAVE CARDS FROM THOSE WHO WOULD LIKE TO SPEAK SO WE'LL GET BACK TO YOU ON THAT. WE HAVE NANCY CANTOR FOLLOWED BY JIM NOLAN.

[Time: 04:30:38]

Nancy Cantor: I WAS GOING TO SPEAK ABOUT PRIORITIES. THIS CITY COULDN'T BE INCORPORATED WITHOUT A PUBLIC SAFETY PROGRAM, POLICE AND FIRE. COUNCILMAN LITTLEFIELD ASKED A QUESTION ABOUT THE PERSON WHO HAD A HEART ATTACK. 2 1/2 YEARS AGO, THAT WAS ME AT 3:00 IN THE MORNING. IF THOSE FIREMEN HADN'T GOTTEN THERE, I WOULD HAVE HAD THE HEART ATTACK, THEY KEPT ME FROM HAVING A HEART ATTACK. I FEEL VERY STRONGLY ABOUT PUBLIC SAFETY WHETHER IT'S POLICE OR FIRE. THE COMMUNITY IS CONCERNED IT'S TAKING SO LONG TO COME TO GRIPS WITH THE PAY ISSUES. WE NEED TO GET THE JOB DONE. WE SEEM TO BE COMING BACK, COMING BACK AND COMING BACK AND THE DISCUSSION GETS VERY HOT AND VERY HEATED. THE PEOPLE WHO HAVE TO DO THE JOB OUT IN THE FIELD ARE LEFT IN LIMBO. I KNOW BECAUSE I'VE TALKED TO SOME OF THE OFFICERS WHO HAVE LEFT. THEY PUT IN LOTS OF TIME AND LOTS OF MONEY TO GO TO COLLEGE, TO KEEP THEIR SKILLS UP AND THEY WOULD LIKE TO FEEL RESPECTED AND THEY WOULD LIKE TO STAY IN A COMMUNITY THAT APPRECIATED THEM. THERE ISN'T AN AWFUL LOT OF THAT FEELING OUT THERE. WHEN I GOT INVOLVED WITH CITY, THANKS TO HERB DRINK, FORMER MAYOR. ONE OF THE PRIMARY THINGS HE TALKED ABOUT AS FAR AS NEIGHBORHOODS WENT WITH SAFETY. A FEW YEARS LATER WHEN I WAS ON THE NEIGHBORHOOD ENHANCEMENT COMMISSION AND SCOTTSDALE WON THE FIRST INTERNATIONAL AWARD AS A DESTINATION FOR TOURISTS, ONE OF THE ISSUES THAT CAME TO THE FOREFRONT WAS YOU HAVE TO HAVE A SAFE COMMUNITY AND PEOPLE HAVE TO FEEL SAFE BEING THERE. WE NEED TO CONTINUE THAT. YOU CAN'T CONTINUE THAT UNLESS YOU INVEST IN THE PROGRAMS AND THE PEOPLE. IT'S NOT GOING TO HAPPEN. I HAD A WHOLE OTHER LIST OF THINGS I WAS GOING TO SAY. WHEN IT BOILS DOWN TO IT, WHAT I SAY AND WHAT THE PUBLIC SAYS, THE DECISION IS STILL YOURS AND THE PEOPLE HAVE TO UNDERSTAND THAT YOU HAVE THE SAME VALUE FOR THEIR WELFARE AND THEIR WELL BEING AND THAT YOU ALSO APPRECIATE THE EFFORTS THAT ARE CONSTANTLY MADE. NO OFFENSE, COUNCILWOMAN MILHAVEN, BUT I NEVER ASKED ONCE FOR MY

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GARBAGE MAN TO TAKE A BULLET. IT'S MORE IMPORTANT TO HAVE A STRONG SAFETY PUBLIC PROGRAM BECAUSE THEN YOU CAN DO ALL THE REST. YOU CAN HAVE ALL THE DEVELOPMENT. YOU CAN HAVE EVERYTHING ELSE TO ENRICH YOUR COMMUNITY. IF YOU DON'T HAVE THE SAFETY IN PLACE, IT'S NOT GOING TO HAPPEN.

[Time: 04:33:43]

Mayor Lane: THANK YOU, MISS CANTOR. NEXT, JIM NOLAN FOLLOWED BY JIM HILL.

[Time: 04:34:04]

Jim Nolan: JIM NOLAN, PRESIDENT OF THE SCOTTSDALE FRATERNAL ORDER OF POLICE. MR. MAYOR, LADIES AND GENTLEMEN OF THE COUNCIL, THE MATTER OF PAY AND COMPENSATION WITHIN THE SCOTTSDALE POLICE DEPARTMENT HAS BEEN STUDIED AND SCRUTINIZED AND ANALYZED FOR MORE THAN A YEAR NOW. IN PREVIOUS COUNCIL ACTIONS, ATTEMPTS HAVE BEEN MADE TO ADDRESS SOME VERY SPECIFIC AREAS OF CONCERN SUCH AS APPROVING THE IMPLEMENTATION OF A MORE COMPETITIVE STARTING SALARY FOR NEWLY HIRED EMPLOYEES. BEFORE YOU TONIGHT AT YOUR REQUEST IS A LARGER, MORE COMPREHENSIVE COMPENSATION PLAN WHICH WILL ENCOMPASS A MUCH MORE DIVERSE SEGMENT OF THE CITY PUBLIC SAFETY WORK FORCE. AS WITH PREVIOUS PAY AND COMPENSATION DISCUSSIONS, THE DATA PRESENTED BY CHIEF RODBELL CLEARLY DEMONSTRATES THE LAG THAT EXISTS THROUGHOUT THE PAY RANGES OF MANY OF OUR FELLOW WORKERS WHEN COMPARED TO OUR NINE STANDARD VALLEY AGENCIES. THE MEMBERSHIP OF THE FRATERNAL ORDER OF POLICE ASK THAT TONIGHT YOU APPROVE THE COMPENSATION IMPROVEMENT PLAN PUT FORTH BY CHIEF RODBELL AND CITY MANAGER FRITZ BEHRING. THIS PLAN IS WELL-ROUNDED, HAS BEEN THOROUGHLY VETTED AND THE EFFORT TRULY ADDRESSES MANY OF OUR CURRENT NEEDS. WHAT IT CANNOT DO HOWEVER IS PROVIDE STABILITY IN THE WORK FORCE. IF THIS EFFORT IS TAKEN AS A ONE-YEAR ONLY FIX WITHOUT CONSIDERATION OF PROVIDING FUTURE FUNDING IN YEARS TO COME. THAT LACK OF FUTURE FUNDING WILL ONLY CREATE A SIGNIFICANT SLIDE BACKWARDS IN YEARS AHEAD. THANKS FOR YOUR TIME.

Mayor Lane: THANK YOU, MR. NOLAN. JIM HILL. HE HAS SOME DONATED TIME FROM ETHAN CLARK AND JOHN HEINZELMAN. FIVE MINUTES?

[Time: 04:35:59]

Jim Hill: YEAH. GOOD EVENING, MAYOR AND COUNCILMEMBERS. MY NAME IS JIM HILL. I'M THE PRESIDENT OF THE POLICE OFFICERS OF SCOTTSDALE ASSOCIATION. APPRECIATE YOUR TIME FOR HEARING US AND LISTENING TO US. WHEN CITIZENS WILL TELL YOU QUITE PLAINLY AND OVER THE YEARS HAVE, PUBLIC SAFETY IS PRIORITY NUMBER ONE. EVERY ONE OF YOU ON THE DAIS AT ONE TIME OR ANOTHER HAS SAID PUBLIC SAFETY IS NUMBER ONE. I'VE HEARD EVERY ONE OF YOU SAY THAT. IT'S UNFORTUNATE WHEN WE GET TO BUDGETING BEING IT'S NEVER THE CASE. TONIGHT, SOME WILL ARGUE THAT THE SPD PAY PLAN WHERE IT SHOWS DURING THE STUDY WE'RE DEAD LAST COMPARED TO EVERYBODY IS UNSUSTAINABLE. I THINK THESE PEOPLE HAVE CITY BUDGETING BACKWARDS. THE FIRST THING A CITY BUDGET SHOULD DO IS FULLY FUND THE POLICE AND FIRE DEPARTMENT. THOSE ARE THE MUST HAVES FOR ANY CITY. IF YOU DON'T HAVE THOSE MUST HAVES, THE OTHER ITEMS IN THE CITY CANNOT FLOURISH. YOU DON'T HAVE SAFETY. IT'S SIMPLE. YOU JUST DON'T PROGRESS. ONCE



THOSE ARE PAID FOR, THEN EVERYTHING ELSE SHOULD BE PAID FOR ON A PRIORITY BASIS. ONCE YOU HAVE THE MUST HAVES OUT OF THE WAY, THEN THE WANTS. INSTEAD HERE IN SCOTTSDALE, WE HAVE A SYSTEM WHERE WE SAY, WELL, HOW MUCH DO WE ASSUME WE'LL HAVE TO SPEND? NOW FIND A WAY TO INCLUDE ALL OUR NEEDS IN ONE INTO THAT BASKET REGARDLESS IF YOU HAVE TO CUT CORNERS AND UNFORTUNATELY THOSE CORNERS ARE USUALLY PUBLIC SAFETY. ALL THE RESEARCH YOU ASKED FOR HAS BEEN DONE BY THE PD COMMAND STAFF AND CHECKED BY CITY STAFF AGAIN. WE'VE LEARNED EVEN THOUGH WE'VE BEEN TELLING YOU THINGS ARE GETTING BAD, THINGS ARE BAD, WE'VE LEARNED WE'RE IN A WORST OFF POSITION THAN WE DREAMED. WHEN YOU LOOK AT THE FIVE-YEAR CHART, 4% OVER FIVE YEARS WHEN YOU LOOK AT THE OTHER CITIES, IT'S DISGRACEFUL. SOMETHING MEANINGFUL HAS TO BE DONE TONIGHT OR WE'LL CONTINUE TO FALL BEHIND AND PRICE TAG WILL GET MORE AND MORE. I KNOW THE CHARTS UP HERE SHOW YOU POLICE OFFICERS ONLY, BUT THIS IS PERVASIVE PROBLEM AMONG THE ENTIRE POLICE DEPARTMENT, SWORN AND CIVILIAN. IT'S JUST EASIER TO COMPARE COPS TO COPS PER SERVICE BECAUSE A COP IS A COP IN EVERY DEPARTMENT. WHERE WHEN YOU TALK ABOUT A LOT OF CIVILIAN POSITIONS, THEY CHANGE THE TITLES AND JOB DESCRIPTIONS AND IT'S HARDER TO MAKE THOSE COMPARISONS. ONE THING YOU NEED TO CONSIDER AND I'M SURE SOME OF YOU LOOKED AT OUR TOP IS ABOVE MARKET. I'M SURE SOME OF YOU LOOKED AND SAID, OH, WE'RE WAY UP THERE. IT'S AN UNATTAINABLE BRASS RING AT THIS MOMENT AND THOSE ARE HARD NUMBERS. WE HAVE A HARD TOP ON OURS. WE CAN'T MAKE MORE THAN THAT.

[Time: 05:38:55]

IF YOU LOOK AT OTHER DEPARTMENTS, THEY MAKE SPECIALTY PAY, THEY GET PAID FOR HAVING TO GRIEVE, GET PAID FOR TRAINING AND WE DON'T DO THAT. WE'RE NOT ASKING TO TALK ABOUT THAT. WE'RE ASKING FOR THAT PROGRESSION TO CONTINUE FOR OFFICERS AND CIVILIAN EMPLOYEES KNOW THIS IS A CAREER PATH FOR THEM. WE KNOW GETTING INTO THIS JOB, HERE IS THE BOTTOM, HERE IS THE TOP, YOU'RE NOT GOING TO MAKE ANYMORE THAN THIS. WE UNDERSTAND THAT. WE NEED TO BE ABLE TO MOVE UP THERE AT A REASONABLE RATE WHICH IS NOT HAPPENING RIGHT NOW. TONIGHT, YOU HAVE A PLAN BEFORE YOU THAT THE CHIEF OF POLICE HAS SPENT MONTHS WORKING ON AND ONE THAT WILL ADDRESS THE ISSUES THAT YOU DIRECTED HIM TO FIX. THIS IS THE RETENTION OF PD EMPLOYEES SWORN AND CIVILIAN. THE CHIEF POLICE IS HIRED BECAUSE HE HAS EXPERTISE IN THE POLICE DEPARTMENT AND I GOT TO BELIEVE THAT YOU FEEL STRONGLY IN HIS ABILITY TO MANAGE. IF HE SAYS THIS IS WHAT WE NEED, I WOULD HOPE YOU WOULD UNDERSTAND THIS IS WHAT WE NEED TO MOVE FORWARD AND NOT CONTINUE TO KICK THE CAN DOWN THE ROAD. WE'VE SEEN OVER THE PAST TWO MONTHS THAT SCOTTSDALE EMPLOYEES HAVE PRETTY MUCH HIT THE PAUSE BUTTON ON SEARCHING BECAUSE THEY'RE WAITING TO SEE WHAT HAPPENS TONIGHT. AT THE BEGINNING OF THE YEAR, HUGE ATTRITION NUMBERS. SOME DON'T THINK THOSE NUMBERS WERE BIG COMPARED TO OTHER INDUSTRIES, BUT IN OUR INDUSTRY, THOSE ARE HUGE NUMBERS BECAUSE IT TAKES SO MUCH TIME AND MONEY TO REPLACE US. IN ALL ASPECTS OF THE POLICE DEPARTMENT, YOU DON'T JUST WALK IN AND BECOME A CRIME LAB PERSON REGARDLESS OF WHAT THE TV SHOW TELLS YOU. THEY NEED TO SEE SOMETHING POSITIVE IS GOING TO HAPPEN HERE TONIGHT OR THEY'RE JUST GOING TO PICKUP WHERE THEY LEFT OFF WITH THEIR JOB SEARCH. NOT EVERYBODY HAS STOPPED. WE JUST LOST AN OFFICER, SEVEN-YEAR VETERAN TO GILBERT POLICE DEPARTMENT. HE'LL GET A \$17,000 PAY RAISE BY GOING DOWN THE ROAD. THAT'S HUGE. GILBERT IS HIRING AGAIN RIGHT NOW AND THEY ARE ALSO HIRING FOR DISPATCHERS. PLEASE, DON'T KICK THIS CAN ANY FURTHER DOWN THE ROAD. DON'T PUT MORE STUDIES ON IT. DON'T ASK FOR MORE NUMBERS. THIS IS THE PLAN. PLEASE PASS THIS TONIGHT

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IN ITS ENTIRETY WITHOUT MODIFICATIONS. TO DO OTHERWISE WOULD SHOW PUBLIC SAFETY IS NOT PRIORITY IN SCOTTSDALE AND WILL BREAK THE TRUST WITH EMPLOYEES. THANK YOU VERY MUCH.

[Time: 04:41:11]

Mayor Lane: THANK YOU, MR. HILL. THAT COMPLETES PUBLIC TESTIMONY ON THIS PARTICULAR ITEM. WE HAVE SOME COMMENTS OR QUESTIONS FROM COUNCIL. LET'S START WITH COUNCILMAN LITTLEFIELD.

[Time: 04:41:29]

Councilman Littlefield: ACTUALLY, NOT QUESTIONS. I THINK WE ALL UNDERSTAND IT. IT WAS PRETTY CLEAR. I'M JUST GOING TO MOVE WE ADOPT RESOLUTION 9525.

Councilmember Phillips: SECOND.

Mayor Lane: COUNCILMAN PHILLIPS, WOULD YOU LIKE TO SPEAK?

[Time: 04:41:48]

Councilmember Phillips: YES, THANK YOU, MAYOR. I WANTED TO MAKE THAT MOTION. WE'LL HAVE TO GET TOGETHER AND TALK ABOUT THAT NEXT TIME. CHIEF RODBELL, I REALLY APPRECIATE YOU COMING HERE STANDING UP FOR YOUR MEN. I THINK THAT'S VERY IMPORTANT THAT THE POLICE SEE THAT. THEY SEE THAT THEIR CHIEF STANDS UP FOR THEIR GUYS AND REALLY CARES ABOUT TAKING CARE OF HIS MEN AND IT MEANS A LOT TO ME TO SEE YOU HERE TONIGHT. PUBLIC SAFETY, POLICE IS SAME AS FIRE. YOU'VE GOT TO HAVE IT WHEN IT'S 3:00 IN THE MORNING. SOMEONE BREAKS INTO YOUR HOUSE, YOU'RE GOING TO WISH A POLICEMAN WAS THERE AND THERE'S JUST NO SUBSTITUTE TO THAT. SO, AGAIN, I'M VERY HAPPY FOR YOU. I COULDN'T MAKE THE MOTION, BUT I WOULD HAVE IF I COULD HAVE AND SO I SECOND IT. THANK YOU.

Mayor Lane: THANK YOU, COUNCILMAN. MOTION AND A SECOND. COUNCILWOMAN MILHAVEN.

[Time: 04:42:53]

Councilwoman Milhaven: EARLIER TODAY, I WENT TO THE AWARDS AND RECOGNITION CEREMONY FOR THE POLICE DEPARTMENT AND IT'S ONE OF THE FAVORITE THINGS I GET TO DO IN MY ROLE AS A COUNCILPERSON. IT'S SO INSPIRING TO SEE THE FOLKS WHO HAVE SAVED LIVES IN OUR COMMUNITY AND TO HEAR THE FOLKS GET PROMOTED TALK ABOUT THE CARING AND THE SENSE OF EXCELLENCE THAT THEY TAKE PRIDE IN. SO, YOU KNOW, I DO CARE AND I DO TAKE PRIDE IN OUR EXCELLENCE AND I KNOW THAT MY ROLE AS A CITY COUNCILPERSON IS TO MAKE SURE THE POLICE DEPARTMENT HAS THE RESOURCES THEY NEED TO CONTINUE TO DELIVER EXCELLENCE AND TO INSPIRE, TO HELP INSPIRE PEOPLE TO THAT LEVEL OF EXCELLENCE. I'VE BEEN AN ADVOCATE OF MAKING SURE THAT WE PAY COMPETITIVE WAGES. I AM VERY PROUD OF THE ROLE I PLAYED IN GETTING US TO THE MINIMUM OF 105%. I DO CARE. I DO WANT TO SUPPORT THE POLICE DEPARTMENT TO CONTINUE TO SUSTAIN, TO HAVE THE RESOURCES TO SUSTAIN THAT LEVEL OF EXCELLENCE. I KNOW I'VE PRESSED FOR MORE AND MORE INFORMATION AND I THINK THAT THE WORK THAT'S BEEN DONE TO DATE IS EXCELLENT TO

UNDERSTAND THAT WHAT OTHER CITIES HAVE DONE TO SEE THE WORK THAT'S DONE HERE AROUND POLICE OFFICERS I THINK IS A REALLY GOOD FIRST STEP AND IT HELPS US UNDERSTAND AS THE MAYOR SAID IT'S NOT JUST WHAT PERCENTS ARE GIVEN, BUT WHERE ARE WE IN THE MARKET WHICH IS SORT OF WHEN WE LOOKED AT THE 105%, AND I THINK WE HAVE THAT INFORMATION FOR POLICE OFFICERS. BUT WE DON'T HAVE THAT INFORMATION FOR ALL OF THE OTHER POSITIONS. WE'RE ASSUMING, SO, FOR OFFICERS, WE HAVE THE DETAIL. WE DON'T HAVE THE DETAIL FOR THE SERGEANTS AND LIEUTENANTS AND COMMAND STAFF AND SO I THINK WE NEED TO BE JUST AS RIGOROUS TO MAKE SURE THOSE POSITIONS ARE COMPETITIVE. SO, THAT'S ONE I THINK IT'S THE BEGINNING OF GOOD WORK, BUT WE HAVEN'T FINISHED THE WORK. IF WE COULD SEE THE SLIDE WITH THE GRAPHS THAT THE CHIEF SHOWED THAT SHOWED THE AVERAGE SCOTTSDALE SALARY BECAUSE I THINK WE STILL HAVE MORE WORK TO DO. IN HIS POWER POINT, IF I CAN DESCRIBE IT. YEAH, IT'S THAT ONE. ATTACHMENT B. THANK YOU. I THINK I STILL HAVE A LOT OF QUESTIONS HERE. HE'S GOT IT UP THERE NOW. THANK YOU. WHY IF THE MARKET'S AT A 35% SALARY RANGE FOR OFFICERS ARE WE AT A 45% SALARY RANGE. WHAT THAT SAYS IS AFTER AN OFFICER HAS BEEN WITH US FOR 10 OR 11 YEARS, THEIR MAX IS 10% HIGHER THAN THE REST OF THE MARKET SO FOR THE REST OF THEIR CAREER THEY'RE GOING TO BE WELL ABOVE MARKET AND THEIR PENSION IS GOING TO BE 10% MORE THAN ANYBODY ELSE'S PENSION. THAT CONCERNS ME TO SAY WE MAY BE, WE HAVE ISSUES WITH PENSIONS. ANYWAY, THIS IS SUGGESTING WE'RE GOING TO EXACERBATE THAT PROBLEM. SO, THE WHOLE ISSUE OF, SO, WHY THEN, ARE WE GIVING RAISES TO FOLKS WHO ARE SO WELL IN EXCESS OF THE MARKET. I WOULD IMAGINE IF OUR MAXIMUM WAS MORE IN LINE WITH THE MARKET, IF WE'RE SAYING SALARY INCREASES ARE X PERCENT OF THE SALARY BUDGET, SOME OF THE MONEY GIVEN TO THE LONGER TENURED TEAM MEMBERS WOULD HELP STRAIGHTEN THIS OUT. SO, I WOULD BE PREPARED TO PUT MONEY ON THE TABLE, BUT THE INFORMATION WE HAVE DOESN'T BREAKOUT WHAT IT WOULD COST TO FIX POLICE OFFICERS VERSUS THE REST. SO I'M RELUCTANT. THE OTHER IS I UNDERSTAND FIRE HAS SIMILAR CONCERNS BEING OUT OF MARKET, SO I AM VERY RELUCTANT TO CONSIDER POLICE WITHOUT LOOKING ACROSS THE ENTIRE CITY. WITH ALL DUE RESPECT IT'S NOT JUST SANITATION WORKERS OR GARBAGE TRUCK DRIVERS. IT'S OUR FIRE DEPARTMENT AS WELL. I'M NOT WILLING TO SUPPORT SOMETHING THAT'S JUST FOR POLICE. I THINK LOTS OF GOOD WORK. I THINK WE HAVE MORE WORK TO DO. IF IT'S ALL OR NONE OR YES OR NO, IT'S NO TONIGHT. THANK YOU.

[Time: 04:47:16]

Mayor Lane: THANK YOU, COUNCILWOMAN. I GUESS I SHARE SOME OF THE SAME CONCERNS, BUT I WILL HAVE TO DROP BACK TO WHERE WE WERE JUST A FEW SHORT MONTHS AGO WHERE WE WENT THROUGH THE BUDGET PROCESS AND WE SAID ABOUT THIS ASSIGNMENT WITH THE \$2.5 MILLION AND MAYBE THAT WAS AN IMPOSSIBLE TASK GIVEN. THE PROBLEM PRESENTED TO US AT THAT POINT IN TIME WAS RETENTION. WE'VE COME TO UNDERSTAND WHETHER IT'S ANECDOTAL INFORMATION OTHERWISE COME TO UNDERSTAND THAT RETENTION IS ABOUT WHERE IT IS AND IT IS ABOUT AVERAGE ACROSS THE FIELD. PERSPECTIVELY, AND I UNDERSTAND IN RESPECT YOU HAVE TO LOOK FORWARD TO WHAT THE CONSEQUENCES ARE. IF YOU DON'T MAKE ADJUSTMENTS NOW GOING FORWARD, SO RIGHT NOW THAT'S NOT AN ISSUE. I THINK MR. HILL SAID THAT SOME FOLKS HAVE PUT IT ON PAUSE. AGAIN, IT'S ANECDOTAL INFORMATION. THERE MAY BE SOME OF THAT GOING ON. I HATE TO CONSIDER. I HATE TO THINK THAT LAW ENFORCEMENT SOMEHOW WOULD BE HOLDING PUBLIC SAFETY HOSTAGE OVER SOMETHING LIKE THIS. I'M VERY, VERY, VERY, VERY CONCERNED ABOUT WHAT OUR RESPONSE IS HERE TODAY. PRIORITY, YES. I TRIED TO STRESS TO EVERYBODY EACH AND EVERY TIME WE TALKED ABOUT THIS, WE HAVE A FIDUCIARY RESPONSIBILITY TO BE ACCOUNTABLE TO THE

CITIZENS WHAT THEIR TAX ARE GOING TO BE AND COST OF A BUDGET. IT WAS A FISCAL YEAR AGO WE LOOKED AT THE 105% OF AVERAGE MINIMUM. YOU CAN SEE BY THE GRAPH THE CHART THAT WAS UP THERE A LITTLE WHILE AGO THAT DID HAVE, SERVED TO CREATE A REMEDY FOR THAT SEGMENT OF IT. HIGH END IS ABOVE AVERAGE AND THE LOW END FOR THE MOST PART IS ABOVE AVERAGE. THAT FIVE OR WHATEVER IT MIGHT BE FOUR TO 11 OR 12 YEARS, 11 YEARS, THAT SEEMS TO BE THAT NEXT STEP THAT MR. HILL HAS TALKED ABOUT, THE CHIEF HAS TALKED ABOUT, THE COMPRESSION AREA THAT WE CREATED THIS SITUATION OF MOVING UP THE AVERAGE MINIMUM BY 105% IN PUTTING THEM ABOVE AVERAGE, BUT NOW WE'VE GOT THEM COMPRESSED UP AGAIN BY THIS FOUR OR FIVE YEARS TO 11 YEARS GROUP OF FOLKS THAT ARE IN THAT AREA NOW ARE BUMPING UP AGAINST THE FOLKS THAT HAVE MOVED FORWARD WITH 105% OF THE AVERAGE MINIMUM. SO, IS THERE A SOLUTION FOR THAT? THUS FAR ACROSS THE BOARD, THERE'S BEEN A 2% INCREASE. WHAT'S BEING ASKED FOR IN THIS PROPOSAL IS A 5% ON TOP OF THAT. IT ALSO IS DISCRIMINATORY TOWARDS EVEN THE STAFF WITHIN THE POLICE DEPARTMENT WHICH REALLY CREATES AN ADDITIONAL COMPONENT, PARTS OF INEQUITIES WITHIN CITY HALL.

[Time: 04:50:17]

I'VE BEEN A PROPONENT FRANKLY OF BEING FAIR AND I THINK THAT THIS CAUSES ME SOME CONCERN IN THAT REGARD. I ASKED FOR A CHART OF SOME OF THE AVERAGE PAY IN EACH OF THE CATEGORIES. JUST FOR SWORN POLICE WITHOUT THE EXECUTIVE GROUP, THEY ARE 44% OVER BOTH ENTERPRISE AND ALL OTHER GROUPS OF PEOPLE. THERE ARE ACTUALLY SOME 20-30% OVER FIRE. AN AVERAGE AND THIS IS INCLUSIVE OF THIS IS A TOTAL COMPENSATION OF \$112,419 TOTAL FOR OFFICERS. ONE OF THE THINGS YOU MENTIONED TO ME CHIEF OVER A YEAR AGO WAS PART OF THE ATTRACTION TO SCOTTSDALE BY VIRTUE OF US BEING A TOURIST COMMUNITY AND THE NUMBER EVENTS WE DO THAT THERE IS THE AVAILABILITY. I'M NOT SAYING THERE'S NOT WORKABLE TIME, BUT THE AVAILABILITY OF OVERTIME WHICH IS A SIGNIFICANT AMOUNT. FRANKLY, WE'VE SEEN AND DISCUSSED AND DEALT WITH THAT ON AN ONGOING BASIS TO TRY TO KEEP IT UNDER SOME CONTROL. THE COST THAT WE'RE TALKING ABOUT HERE, WE'RE ALREADY IN A VERY, VERY SUBSTANTIAL AND VERY POSITIVE PLACE I THINK ON THIS TO SORT OF ISOLATE THE POLICE DEPARTMENT FOR AN EXCLUSIVITY TO AN ADDITIONAL 5% IS JUST PATENTLY UNFAIR WHEN I THINK ABOUT IT AND FRANKLY IT'S NOT SUSTAINABLE. WE CAN GO THROUGH THAT AND THE BUDGET PROCESS A MILLION TIMES AND WE'LL PROBABLY HAVE DIFFERENCES OF OPINION ON IT. WHAT I THINK AND I HAVEN'T SEEN THE NUMBERS BROKEN OUT IN THE PRESENTATION HERE, BUT I DID ASK FOR THEM. WHAT WOULD IT TAKE AFTER THE 2% THAT'S ALREADY BEEN APPLIED FOR THIS FISCAL YEAR, WHAT WOULD IT TAKE TO CORRECT THE SITUATION FOR THAT COMPRESSED GROUP? I KNOW THAT THAT IS SOMETHING THAT HAS BEEN ASKED, REQUESTED AS A CORRECTION ISSUE. THAT IN ROUGH NUMBERS, AND I UNDERSTOOD THAT IT MIGHT BE MODIFIED BECAUSE THERE WAS SOME CHANGES ON THE BEGINNING NUMBERS ON THE NUMBERS THAT I HAVE. BUT FOR THE HALF YEAR, IT WOULD HAVE SOME \$250,000 AND FOR THE FULL YEAR ABOUT HALF A MILLION DOLLARS PLUS TO CORRECT THAT SITUATION. IT'S 129 OFFICERS, ABOUT 129 OFFICERS INCLUDED IN THAT GROUP AND AVERAGE INCREASE FOR THEM IN THIS GROUPING FOR THE 105% AVERAGE FOR THE AVERAGE MINIMUM, THE AVERAGE INCREASE WAS ALMOST 11%. IN THIS GROUP IT WOULD BE PROBABLY CLOSER TO 6-7% ON TOP OF WHERE THEY ARE CURRENTLY. I DON'T HAVE THE FINAL NUMBERS ON THAT CALCULATION AND I DON'T KNOW IF I MIGHT ASK THE CITY MANAGER IF THERE IS, IF WE HAVE HAD ANY REVISIONS OF THE NUMBERS THAT WERE CALCULATED PREVIOUSLY WHICH I THINK INCLUDED THE 5% ALREADY. I THINK THESE NUMBERS ARE PROBABLY A LITTLE HIGHER.

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[Time: 04:53:27]

City Treasurer Fritz Behring: I ASKED THE TREASURER TO CALCULATE THAT AND CONFIRM WITH THAT FIGURE WOULD BE AND SHE HAS THAT INFORMATION.

Acting City Treasurer Lee Guillory: MAYOR, MEMBERS OF COUNCIL, I BELIEVE THERE WAS A HANDOUT AT THE DAIS EARLIER THIS EVENING FOR THIS ITEM AND IT'S TITLED "POLICE SWORN/CIVILIAN PROPOSAL SUMMARY." A SEPARATE PAGE. THERE'S A COLUMN ON THE FAR RIGHT SIDE, THE TOP HALF IS LABELED "FISCAL YEAR 2013-2014." THE IMPACT OF THE CIRCLED AREA ON THE OVERHEAD RIGHT NOW TO IMPLEMENT TAKING THE YEARS OF SERVICE BETWEEN FIVE AND 11 YEARS OF SERVICE UP TO THE MARKET FOR A HALF YEAR IS \$640,000 ON AN ONGOING BASIS STARTING '14-'15, IT'S \$1.5 MILLION IMPACT. THAT WOULD BRING THOSE YEARS OF SERVICE EMPLOYEES UP TO THE MARKET AVERAGE AS IT'S SHOWN ON THE SCREEN THERE.

Mayor Lane: LEE, CAN I ASK WOULD THESE NUMBERS AMEND OR ADJUST THE NUMBERS JUST PRESENTED TO US WITH REGARD TO THE RESOLUTION AT HAND? 9525, IT INDICATES THAT PLAN PROPOSED SALARY ADJUSTMENTS AND USED ONLY, FORGET THAT. THAT'S JUST ON THE PAYBACK. THAT'S THE TOTAL COST OF THIS.

Lee Guillory: I'M SORRY. THE QUESTION IS WOULD THIS MODIFY?

Mayor Lane: WOULD IT CHANGE THE NUMBERS IN 9525?

Lee Guillory: YES, IT WOULD.

[Time: 05:55:06]

Mayor Lane: BY THE NUMBERS OR SOMEWHERE CLOSE TO THE NUMBERS I JUST MENTIONED TO \$642 FROM \$250 TO 1.5 VERSUS THE \$500,000 PLUS.

Lee Guillory: CORRECT.

Mayor Lane: WE WOULD MOVE IT UP A MILLION IN ONE HAND AND LET'S SEE, I GUESS ABOUT \$300,000. MAYBE NOT QUITE \$300,000 ON THE OTHER. SO, ACTUALLY, NO, IT'S CLOSER TO \$400,000.

Lee Guillory: THE \$238,000 YOU MENTION FOR '13-'14 ASSUMES THAT THOSE EMPLOYEES GET THE 5% BUMP ALREADY AND THEN IN ADDITION YOU NEED TO.....

Mayor Lane: THOSE ARE THE NUMBERS I WAS JUST ESTIMATING AT \$250 AND \$500,000 PLUS. THE DIFFERENCE BETWEEN THE \$238 AND THE \$642 AND THE DIFFERENCE BETWEEN THE 562 AND THE 1.530.

Lee Guillory: THAT'S THE IMPACT RECEIVING A 5% INCREASE AND THEN THE \$238,000 AND THE \$562,000 IS THE ADDITIONAL INCREASE TO TAKE THEM UP TO THE MARKET. THAT GROUP OF EMPLOYEES WOULD SEE INCREASES UPWARDS OF 16%.

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[Time: 04:56:20]

Mayor Lane: OK. YOU'RE TALKING ABOUT JUST FOR THE AMENDED NUMBERS FOR THAT GROUP BETWEEN 5-11 YEARS I'LL REFER TO THEM AS.....

Lee Guillory: THAT IS CORRECT.

Mayor Lane: AND IT WOULD BE AN AVERAGE INCREASE IN THAT GROUP OF 16%?

Lee Guillory: ANYWHERE FROM 8% TO 16% WOULD BE THE ACTUAL ONE-TIME INCREASE TO THEIR WAGES TO BRING THEM UP TO THE MARKET AVERAGE.

Mayor Lane: WHEN WE DID THE 105% OF THE AVERAGE MINIMUM, THE AVERAGE INCREASE WAS ABOUT 10.8 OR SOMETHING LIKE THAT? I'M SAYING AVERAGE NOT RANGE. SO, IT'S CLOSER TO THAT NUMBER OR AT LEAST IN THE SAME RANGE OF THINGS TO MAKE THAT ADJUSTMENT FOR THEM AS IT WAS FOR THE 105% OF THE AVERAGE MINIMUM GROUP?

Lee Guillory: MAYOR, THE ONLY STATISTIC I HAVE ON THE 105% INCREASE ON THE POLICE DEPARTMENT WAS ABOUT A \$300,000 ANNUAL INCREASE TO TAKE THOSE EMPLOYEES UP TO 105%.

Mayor Lane: IN THIS CASE, THE HALF YEAR IT WILL BE \$642 AND A FULL YEAR IT WILL BE \$1.53.

Lee Guillory: THAT IS CORRECT.

Mayor Lane: I THINK THIS REALLY IS INDICATIVE OF EVEN MAYBE THE GREATER SEVERITY OF WHAT'S BEING PROPOSED HERE. IF WE WERE TO TRY TO BE CORRECTING A SITUATION THAT WE CREATED WITH 105% OF MINIMUM WITH THE COMPRESSION AND WITH THAT GROUP TO BRING THEM INTO THE MARKET CONDITION, BUT ALSO NOT PUSHED UP AGAINST THE MINIMUM AND, OF COURSE, RESUME CLOSER TO THE TOP IN RANGES, THAT IN AND OF ITSELF IS A VERY, VERY COSTLY THING TO CONSIDER GOING FORWARD AND AS TO WHETHER OR NOT WE COULD HAVE THE FUNDS FOR THAT, I THINK THE ESTIMATES FOR THE ANNUAL INCREASE ON THIS WAS \$1.8 MILLION. NO, IT WAS \$3.6. SO, IF WE, THAT NUMBER, THE \$3.6 DID INCLUDE THE ORIGINAL NUMBERS THAT WE HAVE HERE LISTED AT \$238 AND \$562, IS THAT RIGHT?

[Time: 04:58:32]

Lee Guillory: MAYOR, THAT IS CORRECT.

Mayor Lane: THE \$3.6 WOULD HAVE TO BE INCREASED BY ANOTHER \$1.4 OR THEREABOUTS.

Lee Guillory: NO, THE \$3.6 MILLION WOULD INCLUDE THIS INCREASE. IT WOULD INCLUDE TAKING THE OFFICERS BETWEEN FIVE YEARS AND 11 YEARS UP TO THE MARKET MINIMUM SO THAT IS INCLUDED IN THE \$3.6.

Mayor Lane: RIGHT, BUT USING THE NEW NUMBERS THAT WE HAVE HERE OR THE OLD NUMBERS THAT I HAD PREVIOUSLY, THE \$238 AND THE \$562.

[Time: 04:59:03]

Fritz Behring: IF I CAN CLARIFY THAT. THE OLD NUMBERS WERE SHOWN AS THE COMPONENT TO FIX THE GAP AFTER THE 5% HAD BEEN APPROVED. IF YOU, AS I LOOK AT THIS. YOU HAVE TWO ISSUES HERE IN THE CURRENT PROPOSAL. FIX THE GAP IS ROUGHLY \$1.5 MILLION A YEAR.

Mayor Lane: I GET THE REVERSE ON THE MATH ON IT BECAUSE OF IT BEING INCLUDED ON THE FRONT END, BUT IF WE WERE JUST TO CONSIDER THE FIX OF THAT, WHAT HAD BEEN DUBBED MORE OR LESS THE RETENTION PROBLEM AREA, COMPRESSED GROUP, WE'D BE TALKING ABOUT \$1.53 ON AN ANNUAL BASIS IF IT WAS JUST HANDLED THAT WAY. IF THEY WERE, EVERYBODY ACROSS THE BOARD WERE 5%, THEN IT WOULD DROP BACK TO THE NUMBERS OF \$238 AND \$562. I UNDERSTAND IT. IT'S NOT AS EXAGGERATED I SUPPOSE. WHEN TAKEN SEPARATELY, IT'S STILL A FAIRLY SIGNIFICANT NUMBER AND I THINK IT REALLY WOULD BE ADDRESSING THE REAL ISSUE THAT'S BEEN STATED AS MANY TIMES BEFORE. I'M NOT SURE WHERE WE ARE WITH REGARD TO ANY KIND OF ANALYSIS. I REALIZE THERE'S A LOT OF NUMBERS THAT HAVE BEEN THROWN AROUND DIFFERENT TIMES WITH MARKET COMPARISONS. I DON'T FEEL COMFORTABLE TRYING TO SAY THAT WE'RE GOING TO TRY TO COMMIT TO A 5% INCREASE ACROSS THE BOARD AND REALLY IN SOME AREAS A VERY SIMILAR AREA TO OTHER AREAS OF THE CITY AND TO DISCRIMINATE AND INCREASE PAY BY 7% IN ONE CASE AND 2% FOR ALL OTHER OF THE CITY STAFF. THAT'S THE PROBLEM THAT I HAVE. IF WE WERE TRYING TO ADDRESS A PROBLEM OF RETENTION, THE MARKET AREA AND THAT COMPRESSED AREA AS WE'VE BEEN TALKING ABOUT, THERE MAY BE SOME ROOM TO TALK ABOUT THAT. COUNCILWOMAN MILHAVEN?

[Time: 05:01:12]

Councilwoman Milhaven: I HAVE A QUESTION. IS THIS ALL SWORN OR JUST OFFICERS?

Chief Rodbell: MEMBERS OF THE COUNCIL, COUNCILWOMAN MILHAVEN, THIS CHART IS JUST OFFICERS.

Councilwoman Milhaven: THIS NUMBER? 050133

Chief Rodbell: THAT'S A BIG CHART. THERE'S SEVERAL THINGS GOING ON, ON THAT CHART. ON ONE SIDE WHERE IT SAYS "POLICE SWORN CIVILIAN" THE LARGER PART IS 2013-2014, THAT IS THE ENTIRE DEPARTMENT. PUBLIC SAFETY AND POLICE. SMALLER CHART IS JUST OFFICERS WITHIN THAT RANGE OF THE YELLOW CIRCLE. DOES THAT MAKE SENSE?

Mayor Lane: WELL, THE COLUMN TO THE FAR RIGHT THERE, FISCAL YEAR 2013-2014 AND THE FULL YEAR OF 2014-2015 IN THE FAR RIGHT COLUMN YOU'RE SAYING IS ONLY THE OFFICERS, SWORN OFFICERS THAT ARE INDICATED ON THIS CHART. THE REST IS COMBINED.

Chief Rodbell: MAYOR, MEMBERS OF THE COUNCIL, THAT'S CORRECT.

Councilwoman Milhaven: I'M TRYING TO MAKE THE DISTINCTION BETWEEN ALL SWORN AND OFFICERS NOT SUPERVISORY STAFF. I WANT TO MAKE SURE I'M CLEAR.

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Chief Rodbell: YES, MA'AM.

Councilwoman Milhaven: OK.

Chief Rodbell: ON THE LEFT SIDE OF THE CHART, THE LARGER PART OF THAT CHART THAT YOU WERE JUST GIVEN, THAT IS THE ENTIRE POLICE DEPARTMENT AND PUBLIC SAFETY DEPARTMENT, CIVILIAN AND SWORN, ALL OFFICERS, CIVILIAN SWORN. SMALLER PART ON THE RIGHT-HAND SIDE IS SIMPLY OFFICERS, MEN AND WOMEN IN THAT YELLOW CIRCLE UPON THE OVERHEAD.

Councilwoman Milhaven: AND THIS TAKES US EVEN WITH THE RED LINE?

Chief Rodbell: IT WILL MOVE, THE 5% PLUS THE ADDITIONAL FIX, WILL MOVE THAT GREEN LINE UP TO THE RED LINE WHICH IS THE MARKET AVERAGE THAT IS KNOWN TODAY, THAT'S CORRECT.

Councilwoman Milhaven: SO, IS \$1.5 THE TOTAL OR \$1.3 MILLION? \$1.5 MILLION IS THE ANNUAL COST GIVEN THE 5% PLUS THIS?

Chief Rodbell: MEMBERS OF THE COUNCIL, THE COST FOR THE REMAINDER OF THIS YEAR IS THE \$642 COST. THE COST TO THIS PROGRAM IF MADE PERMANENT NEXT YEAR IS \$1.53.

[Time: 05:03:33]

Councilwoman Milhaven: AND THAT'S THE 5% PLUS BACK?

Chief Rodbell: THAT'S CORRECT. NO, I'M SORRY. THE 5% PLUS, THE MONEY THAT IS ON THE ONE CHART THAT YOU HAVE THAT SHOWS YEARS OF OFFICERS PLUS. YOU HAVE TO DO THE 5% AND THAT CASH TO MAKE THAT CHART DISAPPEAR.

Councilwoman Milhaven: SO, THEN THE NUMBER IS MORE THAN \$1.5 MILLION?

Fritz Behring: IF YOU WANT TO SOLVE THAT PROBLEM OF THE GAP, IT'S GOING TO COST YOU \$642,000 THE REMAINDER OF THIS FISCAL YEAR AND \$1.53 MILLION NEXT YEAR INCLUSIVE TOTAL. THAT TAKES ONLY CARE OF THAT ISSUE, THAT ASPECT. IF YOU WANT TO DO THE CHIEF'S PROPOSAL WHICH IS THAT FIX PLUS 5% FOR EVERYBODY ELSE, EVERY OTHER SWORN AND CIVILIAN EMPLOYEE, THE PRICE TAG IS ABOUT \$3.5 MILLION ANNUALLY. THE FIX IS \$1.5. THE TOTAL PACKAGE IS \$3.5.

Councilwoman Milhaven: THANK YOU.

Mayor Lane: THANK YOU, COUNCILWOMAN. COUNCILMAN LITTLEFIELD?

Councilman Littlefield: AM I THE LAST ONE ON THE LIST? LET'S VOTE.

Mayor Lane: COUNCILWOMAN KORTE.

[Time: 05:05:21]



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Councilmember Korte: I HAD TO WAKE UP OVER HERE. EXCUSE ME. WHAT IS THE ATTRITION RATE OF SCOTTSDALE POLICE DEPARTMENT AS COMPARED TO ATTRITION RATES ACROSS THE VALLEY?

Chief Rodbell: MAYOR, MEMBERS OF THE COUNCIL, COUNCILMEMBER KORTE, I DIDN'T CATCH THE LAST PART OF, I DIDN'T CATCH THE LAST PART?

Councilmember Korte: COMPARED TO OUR PEERS IN THE VALLEY.

Chief Rodbell: I DON'T THINK WE DID A STUDY. I DON'T HAVE THOSE NUMBERS. I KNOW, I GUESS I COULD TELL YOU WHAT OUR ATTRITION RATE IS. IF YOU REMEMBER, I TESTIFIED IN FRONT OF YOU BACK DURING THE BUDGET WHEN YOU ASKED ABOUT ATTRITION. I SAID MY CONCERN ISN'T NECESSARILY HOW MANY PEOPLE HAVE LEFT. MY CONCERN IS THE TRENDS WE'RE SEEING ABOUT PEOPLE ACTUALLY APPLIED TO GO OTHER PLACES. THAT'S WHAT I'M TRYING TO GET IN FRONT OF. IN THE PAST, WE'VE NEVER SEEN WHAT WE'RE SEEING, WHAT WE'VE SEEN RECENTLY. THIS IS SELF-REPORTED FROM OTHER CHIEFS TO US TELLING US WHO THEY HAVE FROM SCOTTSDALE IN THE PROCESS. WE WENT FROM LOSING ONE OFFICER TO ANOTHER VALLEY AGENCY TO THE BETTER PART OF THE 10 YEARS I WAS HERE TO JUST RECENTLY WE'VE SEEN 19 APPLICATIONS GO OUT TO OTHER VALLEY AGENCIES, TWO OF WHICH WERE SUCCESSFUL. NOT EVERYBODY IS SUCCESSFUL. THERE MAY HAVE BEEN DUPES THERE. THERE MAYBE MORE THAN ONE THAT APPLIED FOR DIFFERENT AGENCIES. OTHER CHIEFS SAY WE'VE PEOPLE IN THE PROCESS FROM SCOTTSDALE. WHAT'S GOING ON?

THAT'S WHAT I WANT TO GET IN FRONT OF. WHEN WE TALK ABOUT ATTRITION, IT'S NOT JUST THE NUMBER OF WHO HAS GONE OUT THE DOOR. THERE IS HEALTHY ATTRITION. THE QUESTION IS WHO IS LEAVING BEFORE THEIR TIME.

Councilmember Korte: SECOND QUESTION, THEN, THAT TREND OF INDIVIDUALS LEAVING FOR OTHER JOBS, WHAT IS THAT BAND OF YEARS OF SERVICE? IS IT WITHIN THAT AREA OF CONCERN THAT WE NEED TO, THAT ARE COMPRESSED? IS THAT WHERE IT'S AT?

Chief Rodbell: MAYOR, MEMBERS OF THE COUNCIL, I'M GOING TO ASK MY PERSONNEL DIRECTOR Lisa ANGELINI. SHE MIGHT HAVE KNOWLEDGE OF THAT INFORMATION.

Councilmember Korte: THANK YOU.

Public Safety Personnel Manager: MEMBERS OF THE COUNCIL, MAYOR KORTE. COUNCILWOMAN KORTE. SORRY. IN REVIEWING SOME OF THE PAST YEARS' DATA, SOME OF THE NUMBERS THAT WERE APPARENT TO US WERE THOSE IN THE 4-10 YEAR TENURE.

Councilmember Korte: THANK YOU FOR THAT. LAST QUESTION. JIM HILL TALKED ABOUT THOSE YEARS OF SERVICE OF 12 OR 13, 14 YEARS AS UNATTAINABLE. WHAT DID YOU MEAN BY THAT? IS THAT, YOU CALLED IT AN UNATTAINABLE BRASS RING.

Mayor Lane: COUNCILWOMAN KORTE, IF YOU'RE GOING TO ASK, YOU NEED TO COME TO THE MICROPHONE.

Councilmember Korte: THANK YOU.

Jim Hill: MAYOR, COUNCILWOMAN KORTE, I SAID THEY'RE NOT ATTAINABLE. I'M HERE 17 YEARS AND I'M STILL NOT TOP SALARY. EVERYBODY HAS STALLED. THEY'RE NOT MOVING THROUGH THE RANGES. WHEN WE SAW AT THE BEGINNING, IT'S YOU'RE ELIGIBLE FOR A UP TO A 5% RAISE SO YOU CAN HAVE A CAREER HERE, MOVE THROUGH THE RANGE AND MOVE THROUGH TOP SALARY. THAT'S HOW POLICE WORK WORKS. YOU HIT YOUR TOP SALARY. MOST OF THE VALLEY AGENCIES 7-8 YEARS IS THE AVERAGE TO REACH TOP SALARY AND THAT'S WHERE YOUR CAREER STAYS UNTIL YOU RETIRE UNLESS YOU PROMOTE.

Councilmember Korte: OK. THANK YOU.

Chief Rodbell: COUNCIL, IF I COULD ADD A LITTLE BIT, MAYOR AND MEMBERS OF THE COUNCIL, COUNCILWOMAN KORTE. YOU ACTUALLY RAISED OUR TOP RANGE AND SO THERE'S ACTUALLY FOR THE FIRST TIME IN A LONG TIME PEOPLE WHO WOULD TOP OUT ACTUALLY HAVE AN OPPORTUNITY TO EARN MORE BECAUSE OF THE RECENT RANKING AND SLOTTING. OUR RANGE MOVED A LITTLE BIT AT THE TOP THROUGH THE WORK THAT HR CONDUCTED. WHAT HAPPENED WAS YOU TOOK 2% AWAY DURING THE TOUGH TIMES AND THEN 2% WAS TAKEN AWAY FROM PEOPLE AT THE TOP WHO REACHED THE TOP AT THAT POINT. WHEN 2% WAS GIVEN BACK AS WE TALKED ABOUT BEFORE, 2% OF MORE BEING TAKEN AWAY IS NOT AS MUCH AS 2% LESS BEING GIVEN BACK. THERE'S ALWAYS A LITTLE BIT OF SPACE THERE FROM FOLKS TOPPED OUT AND THEN YOU RAISED THE RANGE. THE PROBLEM IS NOT NECESSARILY THE FOLKS IN OFFICER HILL'S POSITION WHO HAS BEEN AT THE TOP AND HOPEFULLY WILL BE BACK AT THE TOP AGAIN, IF YOU LOOK AT PROJECTION OF 2% PAY RAISE OVER THE NEXT YEARS, THAT PROJECTION A NEW HIRE WOULDN'T REACH THE TOP FOR 19 YEARS IN THIS DEPARTMENT. SO, THAT RANGE MOVEMENT MEANS SOMETHING TO US IN THE LONG RUN IN TERMS OF THAT LIFETIME EARNINGS WHERE IS AS OFFICER HILL SUGGESTED PEOPLE IN OTHER DEPARTMENTS HAVE MOVED QUICKER SOMEWHERE BETWEEN 5-7 YEARS. THE ECONOMY CHANGED THE RULES A LITTLE BIT. CERTAINLY, WE'RE ALL EXPERIENCING CHANGES. IN THE PAST, THAT'S TRUE. AS A COUNCIL, YOU MOVED THE TOP OF THE RANGE SO NO ONE IS AT THE TOP OF THE RANGE AT THIS POINT.

Councilmember Korte: THANK YOU.

Chief Rodbell: BY THE WAY, THE SPACE BETWEEN THE TOP RANGE WHERE IT IS NOW IS UNDER 2%. FOR SOME OFFICERS IT'S ABOUT 1.5 OR 1.9. EVEN IF YOU APPROVE 5% PAY RAISES FOR EVERYBODY, SOME OFFICERS WOULDN'T SEE 5%. THEY'D SEE ABOUT 1.5%. THANK YOU.

Councilmember Korte: THANK YOU.

Mayor: THANK YOU, COUNCILWOMAN. COUNCILMAN ROBBINS.

[Time: 05:11:34]

Councilman Robbins: THANK YOU, MAYOR. CHIEF, THANK YOU FOR YOUR PROPOSAL TONIGHT. APPRECIATE THE WORK THAT WENT INTO THAT. I KNOW THIS IS AN ISSUE WE'VE BEEN WORKING ON FOR A COUPLE YEARS NOW. JIM HILL AND I HAVE HAD MANY CONVERSATIONS WHICH I APPRECIATE VERY MUCH. I UNDERSTAND THE PROBLEM WITH ONE-TIME MONEY. I AGREE WITH THAT. THAT DOESN'T REALLY FIX THE LONG TERM ISSUES THAT WE'RE DEALING WITH WHICH I AGREE NEED TO BE

FIXED AND JIM AND I HAVE THESE CONVERSATIONS ABOUT, LAST YEAR WE WERE TALKING ABOUT HAVING AN ATTRACTION PROBLEM GETTING AN ENTRY LEVEL ISSUE. HOPEFULLY, WE'VE DONE SOMETHING TO SOLVE THAT AND NOW WE'RE LOOKING AT A CHART WHERE WE HAVE THE 5-11 YEARS OF SERVICE HAVE A BIG ISSUE AND PEOPLE MOVING THROUGH THEIR RANGES. I THINK IT WILL TAKE AND I'VE SAID THIS BEFORE, IT'S GOING TO TAKE SOME TIME, PROBABLY A COUPLE, TWO, THREE YEARS TO GET US TO WHERE WE NEED TO BE. I THINK THIS IS A BIG BITE OF THE APPLE AT ONE TIME TO TRY. BECAUSE THIS ISN'T WHAT I WAS EXPECTING TO COME BACK WHEN WE TALKED ABOUT THIS 90 DAYS AGO AND I APPRECIATE WHERE WE'RE GOING WITH THIS AND I WAS LISTENING TO WHAT THE MAYOR WAS SAYING ABOUT TRYING TO FIX THE GAP WHICH DOESN'T FIX ALL THE ISSUES. WE HAVE MORE THINGS TO DO. THAT SEEMS MORE REASONABLE TO ME TO FIX THE GAP NOW AND THEN DEAL WITH SOME OF THE MOVING THROUGH THE RANGE ISSUES IN FOLLOWING YEARS. SO, I CAN'T SUPPORT THE PROPOSAL TODAY. I THINK IT'S TOO BIG OF A BITE, BUT I DO ACKNOWLEDGE THAT THERE ARE ISSUES AND THAT WE'RE GOING TO HAVE TO PUT MONEY TOWARDS THOSE ISSUES TO MAKE THEM GO THE RIGHT DIRECTION. SO, I GUESS I WOULD BE INCLINED TO, IF WE'RE GOING TO MAKE A DECISION TONIGHT, I WOULD LIKE TO SEE US FIX THAT GAP IF WE'RE GOING TO PUT THIS OFF UNTIL A LITTLE BIT LATER TO WHERE WE HAVE SOME MORE, TO WHERE WE CAN FIX THIS OVER A LONGER PERIOD OF TIME TO SAY WE'RE GOING TO DID THIS THIS YEAR AND THIS NEXT YEAR. I WOULD BE WILLING TO LOOK AT THAT AS WELL. THAT'S WHERE I AM TONIGHT. THANK YOU.

Mayor Lane: THANK YOU, COUNCILMAN. JUST ONE ITEM I'D LIKE TO JUST SAY FOR THE RECORD BECAUSE I THINK IT'S IMPORTANT ONE TO MAKE. WHEN WE GO THROUGH THESE DISCUSSIONS, IT CREATES A LOT OF ANIMOSITY AND DIFFICULTIES I THINK WITH A LOT OF PARTIES AND SORT OF RAISED EXPECTATIONS AND ALL KINDS OF ISSUES THAT ARE DIFFICULT FOR US TO TRY TO BALANCE WITH OUR OBLIGATION TO BALANCING THE BUDGET AND FRANKLY OTHER RESOURCES AND OTHER OBLIGATIONS WE HAVE THROUGHOUT THE CITY TO ALLOCATE MONEY TO. THE ONE THING IN WALKING AWAY IRRESPECTIVE OF ANYTHING ELSE, I WANT PEOPLE TO KNOW WHEN WE TALK ABOUT PUBLIC SAFETY, WE TALK ABOUT LAW ENFORCEMENT, IT'S A HUGE, ALREADY SIGNIFICANT DIFFERENCE BETWEEN WHAT SWORN POLICE OFFICERS MAKE AND ANY OTHER MEMBERS OF STAFF. WHEN YOU THINK OF THE AVERAGE OF OUR EXECUTIVES ARE \$153 AND AVERAGE LAW ENFORCEMENT TOTAL COMPENSATION NOW IS \$112,914 AND THAT'S 44% OVER ENTERPRISE OR ANY OTHER STAFFING IN THE CITY. IT'S ACTUALLY ABOUT 34% OVER THE AVERAGE FOR THE CITY INCLUSIVE OF EXECUTIVES. IT'S THE AVERAGE OF THE CITY BEING \$87,000 IN TOTAL COMPENSATION. I WOULDN'T WANT ANYBODY TO THINK SOMEHOW OR OTHER THERE'S A SHORT-CHANGING ON THIS OR THERE ISN'T A HIGH PRIORITY ON THIS. THE FACT THAT EVEN JUST THE TAXPAYERS PORTION OF THE PENSION PLAN RIGHT NOW IS EVER INCREASING AND NOW AT 26% CONTRIBUTION AND, OF COURSE, SWORN OFFICERS CONTRIBUTE A LITTLE OVER 10%. IT'S A SIGNIFICANT AREA OF REAL RESPECT AND UNDERSTANDING FOR WHERE THE POLICE DEPARTMENT IS IN OUR MINDS. I THINK IT'S AN ADVANTAGEOUS POSITION TO BE IN AS FAR AS WORKING FOR THE CITY OF SCOTTSDALE. I'D LIKE TO LEAVE IT ON THAT COMMENT BECAUSE I THINK IT'S AN IMPORTANT THING TO REMEMBER. SEEING THAT THERE'S NO FURTHER COMMENTS ON THIS ISSUE, I'M SORRY, VICE MAYOR KLAPP?

[Time: 05:15:53]

Vice Mayor Klapp: WELL, I'M HEARING PEOPLE SAY THAT THEY WANT TO FIX THE PROBLEM, BUT THERE'S NOT BEEN A SUGGESTION ABOUT IF THEY'RE OPPOSED TO THIS PLAN WHAT KIND OF ALTERNATE PLANS THEY PROPOSE. IF SOMETHING IS BEING SENT BACK, WHEN IS IT COMING BACK? I

HAVEN'T HEARD ANY OF THAT. SO, RIGHT NOW, I DON'T HEAR ANY OTHER PLAN THAT MAKES ME FEEL COMFORTABLE OTHER THAN TO SUPPORT THE MOTION THAT'S ON THE TABLE FOR THIS PROPOSAL BECAUSE THERE ARE NO OTHER PROPOSALS. WE ALL ARE IN AGREEMENT WE NEED TO BE FIXING SOMETHING HERE. THERE IS MY DILEMMA IS THAT UNLESS I CAN HEAR THAT THERE'S GOING TO BE SOMETHING ELSE THAT SEEMS PROPOSED OR SUGGESTED, THEN I AM GOING TO SUPPORT THE MOTION.

Mayor Lane: THANK YOU, VICE MAYOR. I SUPPOSE IF I WAS JUST TO RESPOND TO THAT, I WOULD SAY THAT THE ISSUE THAT'S BEEN BROUGHT BEFORE US ON A NUMBER OF DIFFERENT OCCASIONS AND THAT IS THE RETENTION ISSUE WHICH STILL I'D HAVE TO STATE IS STILL A PERSPECTIVE ISSUE. I UNDERSTAND THE PLANNING LOOKING FORWARD TO THAT, CHIEF. I UNDERSTAND THE COMPRESSION ISSUE THAT WE CREATED WITH 105% OF AVERAGE MINIMUM ALSO CREATES A DILEMMA WITHIN THE WORK FORCE OF SWORN OFFICERS. I'D SAY IF THERE WAS SOMETHING THAT NEEDED TO BE ADDRESSED, THAT COMES CLOSER TO IT. THE IDEA OF 5% OVERALL FOR THE POLICE DEPARTMENT STAFF ON ALL LEVELS ON TOP OF THE 2% THAT'S ALREADY BEEN ALLOCATED, I THINK IT'S JUST AN EXAGGERATION OF THE POINT AND I DON'T THINK IT WARRANTS A POSITIVE VOTE. IF I WERE TO SUGGEST ANYTHING, IT WOULD BE TO LOOK AT WHAT WE DO TO CORRECT THAT SITUATION WITH THE COMPRESSED GROUP; COMPRESSED AND WHAT HAS BEEN DEEMED TO BE A RETENTION THREAT OR CONCERN. COUNCILMAN LITTLEFIELD.

Councilman Littlefield: CALL THE QUESTION.

Mayor Lane: OK. I GUESS WE ARE THEN READY TO VOTE. ALL THOSE IN FAVOR OF COUNCIL LITTLEFIELD'S RECOMMENDATION AYE IF YOU AGREE AND NAY IF YOU OPPOSE. MOTION FAILS 4-3. THAT LEAVES US IN A POSITION OF EITHER CALCULATING AND CONSIDERING SOME OTHER ALTERNATIVE OR GOING WITH THE PROPOSAL BEING LEFT. COUNCILWOMAN MILHAVEN?

Councilwoman Milhaven: HERE IS WHERE I THINK WE CAN GO FROM HERE IS THAT \$1.5 MILLION FOR OFFICERS ONLY, WE HAVE THE DATA TO SUPPORT THAT'S THE RIGHT NUMBER. MY CONCERN ABOUT GOING THERE TONIGHT IS THE FACT MAXIMUMS ARE SO HIGH THAT LIFETIME EARNINGS ARE EXAGGERATED AS ARE THE LIFETIME PENSION COSTS. SO, I'D LIKE TO MAKE A MOTION TO DIRECT STAFF TO CONTINUE WITH THE WORK TO LOOK AT ALL POSITIONS SO THAT WE HAVE THE DATA TO SUPPORT THAT WE'RE WITHIN THE MARKET FOR ALL POSITIONS AS WELL AS CONSIDER THE IMPACT OF THE CURRENT MAXIMUMS AND WHERE THE MAXIMUMS ARE TO KEEP US IN MARKET SO WE CAN GET A BETTER FEEL FOR LONG TERM IMPLICATIONS.

[Time: 05:19:47]

THE REASON I VOTED NO FOR THE PROPOSAL WAS WE ONLY HAVE THE DATA TO ADDRESS OFFICERS. SO, I WAS UNWILLING TO APPROVE INCREASES FOR OTHER FOLKS WHEN WE DON'T HAVE THE MARKET DATA TO SAY THAT IS NECESSARY OR APPROPRIATE. LOOKING AT THIS SAYS, OK, IF WE JUST DO OFFICERS WHICH ARE OF THE FOLKS WE HAVE DATA FOR WOULD BE AN ANNUAL IMPACT OF \$1.5. THE OFFICERS IN THE MARKET, THE SALARY RANGE IS 35% FROM MINIMUM TO MAXIMUM. OUR RANGE IS 45% FROM MINIMUM TO MAXIMUM, SO IT SAYS LONGER TENURED FOLKS ARE BEING PAID WELL ABOVE MARKET AND THEIR PENSION IS GOING TO BE BASED ON THEIR THREE HIGHEST YEARS SO THEIR PENSION IS GOING TO BE EXAGGERATED WILL BE INCREASED BY 10% MORE THAN THE MARKET. SO,

WHILE I MIGHT BE OK WITH THE \$1.5 MILLION TO ADDRESS OFFICERS, I'M NOT COMFORTABLE GIVEN THE CURRENT MAXIMUM. WHAT THAT SAYS IS LIFETIME EARNINGS ARE GOING TO BE SO MUCH GREATER IN TERMS OF TENURE WITH US AS WELL AS THEIR RETIREMENT. I WOULD LIKE TO HAVE THE WORK CONTINUE THAT'S ALREADY BEEN DONE SO THAT IF THERE ARE OTHER FOLKS IN POLICE OR FIRE OR ANYONE ELSE IN THE CITY WHO NEEDS TO HAVE A BRING TO MARKET THAT WE LOOK AT THAT IN TOTAL AND THAT WE ALSO LOOK AT THE MAXIMUMS FOR OUR SALARY RANGES TO MAKE SURE AT THE HIGH END OF THE LONGER TENURED WE'RE NOT PAYING MORE THAN MARKET. IT'S A MUCH BIGGER PROJECT. IT'S NOT GOING TO BE SOLVED TODAY. IT'S A MUCH BIGGER PROJECT, BUT I THINK IT'S A MORE THOROUGH ANSWER BECAUSE I THINK WE'RE AT RISK WITH THE WAY WE SET OUR MAXIMUMS. I THINK WHEN WE ACCEPTED THE RECOMMENDATIONS TO DO 45% RANGES, I THINK WE NEED TO REVISIT THAT AND WE NEED TO MARK OUR MAXIMUMS TO MARKET.

Mayor Lane: HOLD ON THAT SECOND FOR A MOMENT. I SEE THE CITY MANAGER HAS RUNG US UP HERE.

[Time: 05:22:05]

Fritz Behring: IN AN EFFORT NOT TO CONFUSE THE MATTER, THERE WAS SOME TALK OR CONCERN ABOUT HOW SECURE OR HOW COMFORTABLE WE WERE WITH THE NUMBERS ON THESE OFFICERS. I'M PRETTY COMFORTABLE WITH THE NUMBERS ON THE OFFICERS IN THIS GAP AREA. I AM FAIRLY CONFIDENT THAT THE ISSUES THAT WE'RE LOOKING AT IF WE WERE TO LOOK AT SOME, AND THESE ARE NOT FIGURES THAT WE'RE PROVIDED THAT I HAVE BEEN ABLE TO VERIFY, BUT THEY ARE CONSISTENT WITH THE OTHER DATA SOURCES THAT I HAVE. WHEN WE START OFF AN OFFICER IN THE ORGANIZATION, WE'RE LIKE NUMBER TWO AS COMPARED TO OUR OTHER JURISDICTIONS IN THE VALLEY. YEAR THREE, WE DROP TO NUMBER SEVEN OUT OF THE 10. BY YEAR 10, WE'RE DOWN TO NUMBER NINE. WE'RE NOT IN THE TOP HALF ANYMORE. THE COUNCIL HAS TAKEN POSITIVE ACTION TO ADDRESS THE ENTRY LEVEL PROBLEM. MY PERSONAL BELIEF IS YOU PROBABLY DON'T HAVE A GREAT DEAL OF CONCERN ON THE TOP END. I THINK THE NUMBERS TO FILL THE GAP, TO FIX THAT VOID THAT WAS ON THE CHART, I'M PRETTY COMFORTABLE WITH AND WOULD WANT YOU TO KNOW THAT I'M COMFORTABLE WITH THAT IF THAT WAS AN OPTION THAT THE COUNCIL WAS LOOKING AT, THAT WOULD HAVE HELPED TO CONTINUE TO ADDRESS IT. THERE ARE OTHER ISSUES WE HAVE TO LOOK AT. THE LENGTH OF TIME IT TAKES TO GET THROUGH THE SCALE. ARE WE COMPETITIVE WITH OUR NEIGHBORING JURISDICTIONS? THOSE ARE ALL THINGS THAT NEED TO BE LOOKED AT I AGREE. THIS ISSUE, I'M COMFORTABLE AS YOUR CITY MANAGER THAT WE DO HAVE AN ISSUE THERE. WE HAVE A PROBLEM. WE ARE BELOW MARKET IN THAT AREA AND THAT THIS OPTION WOULD FIX THAT.

[Time: 05:23:58]

Mayor Lane: COUNCILMEMBER KORTE.

Councilmember Korte: THANK YOU, MAYOR. AS WE APPROACH 10:30 AT NIGHT TO SAY THAT THIS IS A DIFFICULT ISSUE IS AN UNDERSTATEMENT. I APPRECIATE THE INCREDIBLE WORK THAT HAS BEEN DONE. I KNOW THIS IS NOT EASY AND THE ROCK AND THE HARD SPACE HERE IS THAT I BELIEVE THAT WE ARE A PREMIER COMMUNITY AND IF OUR CITIZENS AND VISITORS EXPECT US TO MAINTAIN THAT PREMIER COMMUNITY, THAT QUALITY, THAT WE NEED TO PAY OUR EMPLOYEES APPROPRIATELY SO THEY DELIVER THAT PREMIER SERVICE. SIMPLE. IT'S REAL SIMPLE CUSTOMER SERVICE. HAVING SAID THAT, I

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BELIEVE THAT THE COMPRESSION ISSUE IS THE PRIMARY ISSUE HERE TONIGHT AND THAT IN GOOD FAITH WE NEED TO ACT ON THIS TONIGHT. IF IT'S ONE THING TO SAY COME BACK TO US WITH MORE DATA AND THE 35 VERSUS 45, THAT'S FINE. LET'S PUT A REAL SHORT TIME FRAME ON THAT. WHETHER THAT'S FOUR WEEKS OR SIX WEEKS, MAYBE FOUR WEEKS, WE NEED TO EXERCISE GOOD FAITH IN FOUR WEEKS THAT WE'RE GOING TO HAVE THE DATA THAT WE NEED TO MAKE A DECISION.

Mayor Lane: I'M SORRY. I DON'T KNOW IF THERE'S A SECOND FOR COUNCILWOMAN MILHAVEN'S ITEM THERE OR NOT WITH THOSE CAVEATS? WELL I DON'T KNOW WHETHER IT'S DYING FOR LACK OF A SECOND.....

Councilmember Korte: MAYOR, I WOULD LIKE TO MAKE AN ALTERNATE MOTION OR A MOTION AND NOT SECOND THAT THAT TONIGHT WE ADOPT THE ADDITIONAL FUNDS OF \$642,652 TO FIX THE COMPRESSION ISSUE FOR OFFICERS IN '13-'14 AND THAT WOULD CARRY INTO '14-'15 AND THEN DIRECT THE STAFF TO COME BACK TO US WITH A MORE HOLISTIC FIX FOR CIVILIAN AND NON-SWORN INDIVIDUALS IN THAT POLICE DEPARTMENT.

[Time: 05:26:47]

Councilman Robbins: SECOND.

Mayor Lane: WOULD THE LIKE TO SPEAK TOWARD IT?

Councilman Robbins: BRIEFLY, MAYOR. THANK YOU, MR. BEHRING FOR YOUR COMMENTS ABOUT THAT BECAUSE I AM TRUSTING IN THE FACT THAT YOU FEEL VERY CONFIDENT IN THOSE NUMBERS AND AS I MENTIONED EARLIER, I THINK WE NEED TO TAKE SMALLER BITES AT THE ISSUES AND THIS IS I AGREE ONE OF THOSE WAYS TO DO THAT. I AM GOING TO SUPPORT THE MOTION.

Mayor Lane: THANK YOU, COUNCILMAN. THERE'S A MOTION AND A SECOND. THAT WAS TO ADOPT THE FUNDING FOR WHAT WE MIGHT CONSIDER THAT COMPRESSION GROUP, DID I UNDERSTAND THAT AND I THINK THAT'S BEEN PRETTY WELL ESTABLISHED PER THAT CHART AND IT WOULD BE FOR THE REMAINDER OF THIS YEAR BEFORE THERE WOULD BE ANY CONSIDERATION FOR, WELL, ACTUALLY, THIS YEAR WOULD CARRY IT INTO NEXT YEAR. IN ANY CASE AT THE SAME RATE, BUT STILL LOOKING FOR ADDITIONAL STUDY ON THE REST. LET ME ASK YOU THIS. NO, NOT ON THIS. I'VE ASKED THE QUESTION AND I PRESUME MAYBE THE MATH IS PRETTY EASY, BUT IT MAY NOT BE AND THAT'S THAT BETWEEN WHAT WAS REQUESTED INITIALLY THE \$3.6 ON AN ANNUALIZED BASIS, WE'RE NOW AT \$1.5. EASY MATH IS \$2.1 OR ARE THERE OTHER CALCULATIONS REMOTELY CLOSE TO THAT AND \$562 VERSUS \$1.8, SO EASY MATH AGAIN IS ABOUT \$1.2 OR THEREABOUTS AS FAR AS THE DRAW ON RESOURCES.

Lee Guillory: MAYOR AND COUNCILMEMBERS, THAT'S CORRECT. THERE'S AN ADDITIONAL 10% OF THOSE FIGURES THAT WOULD BE IMPACTED BY THE FACT THAT WE WOULD FUND THE GENERAL FUND RESERVES, BUT NEGLIGIBLE DIFFERENCE.

Mayor Lane: OK. MR. WASHBURN, YOU HAVE RUNG US UP HERE.

[Time: 05:29:03]

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Bruce Washburn: THANK YOU, YOU'RE HONOR. AGAIN, I THINK PROBABLY THE BEST WAY TO ACCOMPLISH THIS SINCE WHAT THE RESOLUTION CALLS FOR 9525 IS THE BUDGET TRANSFER, AND THE BUDGET TRANSFERS REALLY IS WHAT'S REQUIRED TO ACCOMPLISH WHAT THE COUNCILMEMBER IS PROPOSING, WOULD BE TO ADOPT RESOLUTION 9525 EXCEPT SUBSTITUTE IN SECTION ONE THE FIGURE REFERENCED BY THE COUNCILMEMBER, AND THE REMAINDER OF THE MOTION WOULD BE BASICALLY DIRECTION OF THE STAFF ON HOW TO SPEND THE TRANSFER.

Mayor Lane: OK. VERY GOOD. IT'S REALLY JUST AN AMENDMENT OF THAT RESOLUTION 9525 TO INCORPORATE THOSE NUMBERS. IS THAT CORRECT, MR. WASHBURN?

Bruce Washburn: YES, RIGHT. BASIC IDEA IS YOU'RE ADOPTING RESOLUTION 9525 WITH THE NUMBER REFERENCED BY THE COUNCILMEMBER KORTE AND THAT ACCOMPLISHES THE TRANSFER, BUDGET TRANSFER AND WHAT THEY DO WITH THE MONEY IS BASICALLY COMES FROM DIRECTION THAT'S PART OF THE MOTION.

[Time: 05:30:17]

Mayor Lane: PROBABLY BE BEST IF WE REFERENCE THIS WORKSHEET THAT'S BEEN CREATED HERE.

Bruce Washburn: I THINK THAT WORKS.

Mayor Lane: OK. ANYONE SECOND THAT MOTION? OK. DOESN'T LOOK LIKE THAT'S ANY FURTHER COMMENT THAT WE HAVE HERE, SO WE'RE PREPARED I THINK TO VOTE. ALL THOSE IN FAVOR, PLEASE INDICATE BY AYE AND THOSE OPPOSED WITH A NAY. AS IS DEMONSTRATED, I NO LONGER HAVE TO ANNOUNCE IT. 6-1. THAT COMPLETES ITEM 22. I WANT TO THANK EVERYBODY WHO GAVE PRESENTATIONS OR COMMENT OR TESTIMONY.

Fritz Behring: MR. MAYOR?

Mayor Lane: YES?

Fritz Behring: ONE ADDITIONAL COMMENT JUST FOR FULL DISCLOSURE AND FULL CLARITY, YOUR DECISIONS TONIGHT CERTAINLY I RESPECT IN THE POLICY DIRECTION THE COUNCIL HAS TAKEN, BUT I WANT TO MAKE IT CLEAR THAT THOSE DECISIONS TONIGHT HAVE ABSORBED A GREAT DEAL OF OUR PROJECTED REVENUE INCREASES GOING FORWARD. I WANT TO SET THE RECORD THAT AS WE GO THROUGH THE BUDGET PROCESS MOVING FORWARD, THAT WE HAVE TO TAKE THAT INTO ACCOUNT THAT THERE IS NOT AN UNLIMITED AMOUNT OF REVENUE STREAM COMING FORWARD, EVEN WITH THE ECONOMY COMING BACK. AND OVER THE COURSE OF THE NEXT REMAINDER OF THIS FISCAL YEAR, I WILL CONTINUE TO IDENTIFY AREAS WHERE WE CAN FIND SAVINGS IN EXISTING OPERATIONS TO HELP OFFSET THESE ADDITIONAL COSTS THAT ARE PRIORITIES FOR THE COUNCIL. JUST WANT TO MAKE THAT CLEAR.

Mayor Lane: THANK YOU, I THINK THAT IS AN IMPORTANT POINT TO MAKE AND SOMETHING WE PROBABLY NEED TO CONSIDER ALMOST IMMEDIATELY IN THE CURRENT BUDGET SINCE WE ARE NOW IN A DEFICIT AND NOT BALANCED FOR THE CURRENT FISCAL YEAR. THANK YOU. THERE IS NO PUBLIC COMMENT. THERE ARE NO PETITIONS. WE HAVE NO COUNCIL ITEMS.

**ADJOURNMENT**

[Time: 05:32:28]

Mayor Lane: I'LL ENTERTAIN A MOTION TO ADJOURN. MOVED AND SECONDED, ALL THOSE IN FAVOR, PLEASE INDICATE BY AYE. THANK YOU.