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#### **CALL TO ORDER**

[Time: 00:00:05]

Mayor Lane: Good afternoon, everyone. Thank you for being here with us. For our February 23<sup>rd</sup>, 4 p.m. regular city council meeting and I would like to call to order this meeting. We'll start with a roll call, please.

#### **ROLL CALL**

[Time: 00:00:16]

City Clerk City Clerk Carolyn Jagger: Mayor Jim Lane.

Mayor Lane: Present.

City Clerk Carolyn Jagger: Vice Mayor David Smith.

Vice Mayor Smith: Present.

City Clerk Carolyn Jagger: Councilmembers Suzanne Klapp.

Councilwoman Klapp: Here.

City Clerk Carolyn Jagger: Virginia Korte.

Councilmember Korte: Here.

City Clerk Carolyn Jagger: Kathy Littlefield.

Councilwoman Littlefield: Here.

City Clerk Carolyn Jagger: Linda Milhaven.

Councilwoman Milhaven: Here.

City Clerk Carolyn Jagger: Guy Phillips.

Councilman Phillips: Here.

City Clerk Carolyn Jagger: Acting City Manager Brian Biesemeyer.

Acting City Manager Brian Biesemeyer: Here.

City Clerk Carolyn Jagger: City Attorney Bruce Washburn.

City Attorney Bruce Washburn: Here.

City Clerk Carolyn Jagger: City Treasurer Jeff Nichols.

City Treasurer Jeff Nichols: Here.

City Clerk Carolyn Jagger: City Auditor Sharron Walker.

City Auditor Sharron Walker: Here.

City Clerk Carolyn Jagger: And the Clerk is present.

Mayor Lane: Thank you very much. Just a couple of items of business. We do have cards if you would like to speak on any of the subjects on the agenda or for public comment. They are the white cards that the city clerk is holding up over her head to my immediate right. And we have cards for written comments that will be read by the council during the proceedings and that's the yellow card over the head of Ms. Jagger. So you can fill those out if you haven't already, but we will cease once the proceedings started.

We do have Jason Glenn and Tom Cleary here, I think they are both directly straight in front of me, but they are here if you have any need for their assistance and if we have any medical emergencies, please

see the Scottsdale fire representative for assistance and I believe he or she is somewhere in the crowd out here, but we'll certainly be at your side -- yes, right here in front of me. Thanks. Okay. The areas behind the council dais are reserved for the staff and council access only. We do have facilities under the exit sign here to my left, for your convenience.

**PLEDGE OF ALLEGIANCE**

[Time: 00:01:50]

Mayor Lane: This afternoon, we will start with a Pledge of Allegiance and I would ask that -- that Vice Mayor Smith lead us in the pledge. Rise if you can, please.

Vice Mayor Smith: 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, Vice Mayor.

**INVOCATION**

[Time: 00:02:23]

Mayor Lane: This evening -- or this afternoon's invocation, we have, I believe, Pastor Jon Botic with First Baptist Church of Scottsdale. Pastor?

Pastor Jon Botic: Let's pray. Father, we thank you. We thank you for being good. We thank you for being holy. We thank you for blessing us with beautiful weather. We can enjoy your creation and enjoy those around us and enjoy what you desire to do in our lives. Father, we come here this afternoon with a variety of concerns on our minds. We pray that by the power of your holy spirit, you would work marvelous things that you would remind us of what we are to be about. And that in the midst of decisions that need to be made, that you would provide wisdom, discernment, and most importantly, what is best for this great city. So we pray that all that would happen. We pray that you would grant the Mayor and the council folks great insight into what's happening and what needs to happen. We pray for the citizens here. We pray that you would -- that all of us would conduct ourselves in a manner that is not only cordial but is looking out for the best interests of everybody involved. So, lord, we love you and we thank you for being good to us and we pray that this afternoon into the evening would go extremely well. In Jesus' name we pray, amen.

[ Off microphone comment ]

Mayor Lane: That's fine. But in any case, you are out of order. Thank you, though.

**MAYOR'S REPORT**

[Time: 00:04:22]

Mayor Lane: Okay. We do have -- next order of business is we have a proclamation for a great organization that I would like to give you a little bit of insight into. And we'll have someone speak toward it as well.

But proclamation here is for fast pitch day and it's whereas the city of Scottsdale takes great pride in the active network of nonprofit groups that contribute to the exceptional quality of life in the community; and whereas, integral to the ongoing success of Scottsdale is a nurturing of good ideas through nonprofits and social entrepreneurs; and whereas, the fast pitch competition usually convenes the most innovative early stage nonprofits in Maricopa County before a live audience with a panel of judges and community leaders, business executives and potential investors to grow their social impact on the greater community; and whereas, fast pitch competition is a social -- is a program of social venture partners Arizona, a nonprofit group that brings a venture capital approach to philanthropy. Whereas Scottsdale and the Scottsdale center for the performing arts is the location of the sixth annual fast pitch competition, therefore, I, W. Jim lane, Mayor of the city of Scottsdale, Arizona, do hereby declare, Tuesday, March 1<sup>st</sup> to be the fast pitch day in the city of Scottsdale.

With that, I would very much like to ask Terry Wogan to the podium to say a few words. Terry?

[Time: 00:05:51]

Terri Wogan: Thank you very much, and I think we are going to start with a 30 second promo that we actually shot at Scottsdale center for the performing arts.

(Video clip)

Mayor Lane: That got our attention.

Terri Wogan: Thank you very much for that wonderful proclamation. We're very excited to be returning to Scottsdale. When we started this event six years ago, we were at SkySong, probably about 150 people there and we have now grown and we are back at Scottsdale Center for the Performing Arts where we hope to have 800 people in the audience this time. So thank you very much. Actually, it's also a personal return because I grew up in Scottsdale. I went to Scottsdale High across the street, and my dad was city councilmember for eight years too. So I certainly understand and appreciate the service that you are giving to the citizens of Scottsdale.

We have eight amazing nonprofits that are going to be pitching. So if you had 180 seconds, what would you say and how would you say it to persuade people to give to your organization. We will have \$60,000 in grant awards being given that night, along with the opportunity for people in the audience to also give and donate and be strategic philanthropists. So we thank you. We appreciate the opportunity to be here this evening. We invite you to join us on March 1<sup>st</sup>, 4:30 p.m., the pitches start at 6:00. And we hope to see you there. Thank you.

**PRESENTATIONS/INFORMATION/UPDATES**

[Time: 00:08:23]

Mayor Lane: Okay. Another order of business on the report side, we have a presentation of the American heart association, gold fit friendly award and we have presenter Brittany Mayes, if you could come forward Brittany. Brittany is a business developer and director of the American Heart Association.

American Heart Association Business Development Director Brittany Mayes: All right, well, hi, everyone. My name is Brittany and I'm with the American Heart Association. I'm here tonight on behalf of the American Heart Association to present the city of Scottsdale with your fit friendly award. So congratulations on, once again, receiving the award and really creating a culture of health and wellness for your employees and protecting your heart health. You do have a plaque. I'm here to have a new award, your award to add to it. So we'll add the 2015 year. You have it perfect. Thank you.

So we will get 2015 added and congratulations open being a fit friendly company for the American Heart Association. It truly is an honor. We have less than 50 companies in the entire valley win this award and it shows you take your employees health and wellness seriously. Congratulations. Thank you very much.

**PUBLIC COMMENT**

[Time: 00:10:47]

Mayor Lane: So thank you, Brittany. Next order of business is our public comment and this is public comment reserved for citizen comments regarding non-agendized items of which no official action will be taken on them. The 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's any further public comment requested. But we do have Darlene Peterson here for some opening public comment.

Darlene Peterson: Darlene Peterson. My address is on record. Mayor Lane, and members of the city council, I will start with the good part first. The parade -- the Parada del Sol was wonderful. Of course it would be more wonderful if it started at Oak Street and you people are so cheap that you won't give them more money for the signs to close off the roads from there. Just a hint for your budget. All right.

I'm really here to talk about the newspaper article on light rail. Give it up! I spoke in front of the transportation commission and you are wasting staff's time and you are wasting your time to put it from McDowell through Scottsdale, through downtown Scottsdale. It is not the place for light rail. I don't know why the ADOT is so stupid that they have buses that if -- if we old people can't make it a mile away to get to the bus stop, that if you are at a corner, you should be able to wave and they stop and pick you up. That would save a lot of transportation and it's not going to happen at every corner.

But the way it is, when it whizzes by you, the trolley or the bus, and they won't pick you up, that's -- there are children in the room. I won't say it. But you can change the way the buses run and you can put more on the road because transportation said it was \$60 million a mile. No! It was \$90 million a mile! And you can buy a heck of a lot of buses for that amount of money. All right. I think I have said my piece. And you all think about it now. Don't waste staff time on this light rail stuff.

Mayor Lane: Thank you very much, Darlene. No, I'm sorry. Please. We really do shun any kind of applause. And we certainly would shun booing as well. So I would say, it's a matter of protocol for us here. Even though, Darlene probably deserves, it I would really ask that you refrain from that. Okay. That's the extent of public comment at this point in time. So we'll move on to some other items of business.

### **ADDED ITEMS**

[Time: 00:14:34]

Mayor Lane: We do have an added item, it's agreement number 2013-025-COS-A3 for item 24, it's been added to the agenda less than ten days prior to the meet and requires a separate vote to remain on the agenda. I would ask, unless there are any questions, I would ask the council to either to accept the agenda as presented or to continue the added item to the March 1<sup>st</sup> council meeting.

Councilwoman Klapp: Move to accept.

Mayor Lane: There's a motion to accept.

Councilmember Korte: Second.

Mayor Lane: And seconded. No further comments requested. So I think we are then ready to vote. All those in favor of the motion, please indicate by aye and those opposed with a nay. Aye. It's unanimous. It will remain on the agenda as is indicated already.

### **MINUTES**

[Time: 00:15:22]

Mayor Lane: And that moves us on to the next order of business, which is our special -- the -- I will need a motion to approve, unless there are any questions or comments on these minutes, but it will be the special meeting minutes of January 26<sup>th</sup>, 2016; the regular meeting minutes of January 26<sup>th</sup>, 2016; the work study session minutes of January 19<sup>th</sup>, 2016; and February 1<sup>st</sup>, 2016 and executive session minutes of January 11<sup>th</sup>, 2016. Of course, those have all been provided to the council prior. If there's not any question on, that I would accept a motion to approve.

Councilmember Korte: Move to accept.

Councilwoman Littlefield: Second.

Mayor Lane: The motion has been made and seconded. I think we are ready to vote on those minutes. All those in favor indicate by aye and register your vote. Aye. It's unanimous acceptance. Thank you on that.

And we are going to go a little bit in a change of order, in that we will -- we are going to move to some regular agenda items here in order to be able to move through some of our regular agenda items before final one with regard to BASIS School. And we look to do three items, as it is right now and I would just want to announce right now, of the items 24, 25 and 27 -- or I'm sorry, 24, 26, and 27 only. Item 25 has been moved to the March 1<sup>st</sup> meeting, at the staff's request. So we do have those items on the regular agenda that we will proceed with now and then we will go to the consent items at that since we cannot begin the consent items any earlier than 5:00. So I don't know if we'll need to take our time or whether we speed through this and take a break. But that's the program.

#### **ITEM 24 – SCOTTSDALE MUSEUM OF THE WEST MANAGEMENT AGREEMENT**

[Time: 00:17:15]

Mayor Lane: So we do have -- the first item is the Scottsdale Museum of the West, a management agreement and we have Karen Churchard, tourism and events director here to give us a presentation on it. Karen, please.

Tourism and Events Director Karen Churchard: Good afternoon, Mayor, councilmembers. We are here today to request the amendment of the Museum of the West management agreement. This request is to adopt resolution number 10354, which approves, adopts and amends the city's museum management agreement with the Museum of the West Inc.

As you know, the museum opened in January 2015, and as the annual report I received in November of 2015, the tenants had reached 65,000 at that time. And I also believe you all know that the museum has reached a pretty national great reputation, of its exhibits that are exceptional. Although, I would mention that the majority, if not all of those collections are on loan. And that could change.

As the museum is currently being scheduled to be gifted a multimillion dollars Hopi collection, and this collection spans seven centuries of Hopi pottery that's represented in more than 120 ceramic works and it's believed to be one of the single most important collections in private ownership. The Museum of the West is requesting \$500,000 to support this new collection in exhibit which was unanimously voted on and recommended by the Tourism Development Commission. \$380,000 plus would be paid directly to the museum manager, which is the Museum of the West Inc., to be used for collection, curation, services, gallery renovation and exhibition delivery. The additional \$100,000 of that amount would be used for marketing and promoting. This new exhibit, which the museum manager would outline to the city by July 1<sup>st</sup> of this year. Of that \$500,000, just shy of \$200,000 would be for the actual build out of the new exhibit gallery, which would be managed by the city.

The gift -- this gift could have exceptional benefits for not only the museum but the city and a few of those would be enhanced marketing promotions for both the museum itself and the Scottsdale convention and visitor bureau that helps with our marketing and promotion of the destination and brand. This would be a new product that we could definitely and promote and additional programming could be centered around this exhibit. In closing our request is that council adopts resolution number 10354. Thank you and I will answer any questions you may have.

Mayor Lane: Thank very much, Karen, for the explanation and for the indication from the advice of our commission. And we'll see if we have any motions and/or questions and we'll start with Councilmember Korte.

[Time: 00:20:17]

Councilmember Korte: Thank you, Mayor. I move to adopt Resolution Number 10354, approving and adopting Contract Number 2013-025-COS-53, the an agreement between the city and the Museum of the West.

Councilmember Klapp: Second.

Mayor Lane: Would the second like to speak to it at all.

Councilmember Klapp: Just briefly, I believe the addition of our own Hopi art and artifact collection is a wonderful addition to the Museum of the West and we should be very excited that it can be added to this point and it will be a great step forward for the facility and for the management of the entire organization.

Mayor Lane: Thank you, councilwoman. Vice Mayor Jim do you have a comment or a question?

[Time: 00:21:06]

Vice Mayor Smith: No question. I was going to comment and I fully support the motion. I was going to comment for those who are watching, I think this is an extraordinary opportunity for the museum. I think it furthers one of our objectives for public/private partnership. A very generous donation from an individual complimented by a very modest contribution of bed tax dollars. It is certainly supportive of our tourism initiatives and it is also coincidentally quite supportive of the cultural objectives that the city has to identify items, things and things to do which are uniquely Scottsdale. So for all of those reasons, I think it is an excellent proposal and an excellent initiative and I fully support it. Thank you, Mayor.

Mayor Lane: Thank you, Vice Mayor. I too would like to at least lend a comment that this is a great opportunity, number one to bring some of these types of artifacts that are actually originated here in Arizona back to Arizona. And frankly, to develop a very close relationship with the tribal communities with regard to just this kind of effort. So I think it's an excellent way to move the



museum to even a higher stance than where it has been. So thank you very much, Karen, for the presentation and I think that's the extent of any questions or comments, as it is right now.

So then we have the motion and the second. So we are now ready then to vote. All those indicated in favor, please indicate by aye, and those opposed with a nay. Aye. It's unanimous. Thank you.

Okay. Now obviously as mentioned, before the item 25 has been moved to the March 1<sup>st</sup> meeting at the request of staff. So it's not on the agenda for this evening.

**ITEM 26 – CITY'S PROPOSED FISCAL YEAR 2016/17 RATES AND FEES**

[Time: 00:23:06]

Mayor Lane: And item 26 is our city's proposed fiscal year 2016/2017 rates and fees and our presenter, oh, I guess now has been to our acting city manager. Maybe to start it off, in any case, whatever. Mr. Biesemeyer.

Acting City Manager Brian Biesemeyer: Thank you Mayor. Thank you, council, yes, I will kick this off and then I will change hats and go into my Scottsdale water director hat and go through water as we move on. The first part enterprise rates and fees, our enterprise funds, are aviation -- well, we got this backwards. Let me check where I'm at. You know, we have these slides in a different order and I --

Mayor Lane: Just trying to keep you on your toes.

Acting City Manager Brian Biesemeyer: It is. Very good. You got me cued? It's on solid waste. I will introduce Dan worth and he will take you through the solid waste portion.

Mayor Lane: Okay. Mr. Worth, welcome.

Public Works Director Dan Worth: Good evening Mayor and council. I am here as the acting city manager mentioned to talk to you for the first time in seven years about a proposed rate increase in the solid waste enterprise. The solid waste fund runs as an enterprise, as the city manager mentioned. We cover all of our costs with the revenues that were received from rates and from some other revenue sources. And we base our rates that we charge for the services on a multiyear analysis of our operating needs, multiyear financial plan. As I mentioned, it's been seven years since we have had any kind of rate increase in the solid waste program. I'm going to go into some of the reasons we have been able to do that.

What I'm going to present to you tonight is a proposal to increase some of our commercial rates. We don't anticipate a rate increase from our residential customers for at least a couple of more years. We are anticipating 2019-20 before we have to raise our residential rates.

Just a little bit of background. We basically have the two different programs, the residential and the

commercial. The residential program is the single family homes, about 80,000 separate customers, a couple of hundred of which are represented in the room right now, I assume. The city provides the service to all the single family homes in order to comply with state statutes. That's how the city has chosen to comply with state statutes regarding solid waste which provides the service. There's no commercial alternative.

The other program is our commercial program. We have about 1400 commercial accounts. Those accounts include multifamily apartments. We classify those as commercial accounts not residential. So apartment and condo complexes, schools, businesses and the city itself, the city facilities we are a customer of the solid waste enterprise fund and we pay the same rates as any other customer.

Again 1400 accounts and the biggest difference between the commercial program and the residential program is the commercial program the customers have alternatives and that is also by state statute. We are not allowed to prohibit commercial solid waste companies like waste management or republic from providing services to commercial accounts and the city Scottsdale, we compete with them. We manage the fund as a single enterprise, even though we have these two different programs. We manage the single enterprise and across the two programs, we pay for all of our expenses with the revenues that we generate from both the commercial and the residential rates and one other item I would like to highlight in 2010, we did have an audit, our internal auditor looked at our solid waste program.

One of the recommendations they made the observation that we appear to be collecting less than the cost of the commercial program from our commercial customers. Slightly more than the cost of the residential program from residential customers, they made a recommendation that we do some adjustments to bring it into balance. Our response was that we would -- we do that. We would seek to do that and have the commercial program and the residential program both move close to the full cost recovery for their programs at the next time that the rate increase was necessary.

And we are now at the point where we feel that rate increase is necessary. As I mentioned, we have been pretty successful in avoiding rate increases. We haven't had to have one for the last seven years. You can see several of the reasons. I won't go into detail about all of these.

One of the biggest impacts on our program costs is fuel costs. We have been able to mitigate that with the use of compressed natural gas. The fuel costs are low now, but over the course of the next five years who knows what will happen with that. You will see some other initiatives. You may remember the third bullet, an initiative in 2010-11, 2011/12, we received direction from the council at that time to rationalize our indirect fees. These are the fees that the enterprise program pays to the city for support services like financial services, human resources, legal services and rationalizing those fees and putting them on a more cost recovery basis, save the solid waste program close to \$1 million a year. So that was a significant help in avoiding rate increases.

This is what I just said on a previous slide in numbers. This is our multiyear projection. I've got actual numbers going back to the fiscal year 2012 and in the projections, in 2019/20. And you can see the top line, the beginning of the year fund balance that's the entire solid waste fund, fairly

healthy amounts, 10 million, \$11 million for the past few years, and then you can see starting to decline in fiscal year '16/17, 17/18 and then it gets down steadily declining through the out years of the program.

A safe level to have in our reserve, we look for two different things. Not our reserve. We look for two different things in our fund balance. It has to cover our operational reserve. The operational reserve by policy is 90 days. Basically a quarter of a year, which is about \$5 million plus we want to have a stabilization capability in that fund balance when the fuel prices spike. We want to be able to cover that. So somewhere on the upside of \$5 million is where I want that fund balance to be and you can see from the projections that if you look at the sources over uses, the second line from the bottom, we start spending more than we are taking in and that fund balance steadily erodes into the out years of the program.

This is the same information broken down into the commercial and the residential program. This is an effort that we have been going through for several months. We hired a consultant that has experience in the industry, doing rate analysis and rate recommendations and they have been working with us. The firm is New Gen. They took a look at all of our costs, all of our expenses, allocated them out to the commercial program, the residential program, and there's resources that we use to support both programs. They allocated those out proportionally. Gave us what we feel is -- we feel confident is a good representation of what our actual costs are for each of the two programs.

And you can see the tops that align, the residential revenue versus expenses. We are recovering through our residential rates and other residential revenue, other revenues primarily the money that we get for recycling. We are recovering a little bit more than what we are spending, awful though that decreases and I mentioned we anticipate possibly a residential rate increase for fiscal year 2019/20. You can see the sources over uses going into the negative in that fiscal year right now, current projection.

The second set of lines is commercial revenue versus expenses. You can see that we are -- I would say grocery under collecting right now, about \$2.5 million or about \$2 million under the \$5.6 million expenses in the commercial program. That's what we want to fix. We have been able to hold that without a rate increase, but we're getting to the point looking at the whole fund where we need to consider an increase and we want to do it focusing on the commercial program to get that commercial program back to as close as full cost recovery as we can.

Mayor Lane: Excuse me one second Mr. Worth. When we are talking about -- obviously we are just talking about the commercial side of this and I know you have emphasized that more than a few times but it is a competitive market. Where does it put us in the competitive market with regard to the contemplated increases and whether or not, you know, we are in a competitive position with others out there supplying the service?

Public Works Director Dan Worth: Mayor, it's very difficult to tell that. The best way that we can find that out is our customers' reactions. Unfortunately, our commercial competitors don't publish a set of rates like we do. They actually come in and negotiate a separate contract and an individual

price for every one of their customers. So it's very difficult for us to get comparable information.

I can tell you there are certain classes of customers that are very highly represented in our program, multifamily complexes. There are some that are served by the commercial providers but most of our biggest -- and I will talk shortly about different types of service in the commercial program, but the front loader service, where we bring the truck and lift the dumpster and set it back down, those are -- that's the bulk of our program. It's about 60% of our program and our top ten customers are all multifamily complexes. That means we are very competitive. With the rate increases, it's hard to tell. We will have to look at the customer response.

[Time: 00:33:20]

Mayor Lane: So the reaction may end up potentially denigrating the level of revenues we had if it's elastic in its response.

Public Works Director Dan Worth: Exactly. If the rate increases are to the level that our competitors are able to provide a better offer, we anticipate the customers are going to go away. And that's why I wanted to put up this slide. Our goals for the commercial program are not really to expand the business and dominate the commercial solid waste industry in the city of Scottsdale. We have very capable commercial providers that provide that service. We don't necessarily need to drive them away from customers.

Our goals are to provide an alternative to cost efficient service to some of our customers. We keep the pricing honest, in some cases and to support the residential program. The commercial customers have a choice. The residential customers don't. And one of the ways that we can obviously support the residential program is by over recovering rate-wise on the commercial side. We are obviously not doing that. We don't want to be a drain on the residential program. That's definitely counter to the goals of the program. There are other ways that we support residential customers. One is the drivers and the equipment, there is some overlap. When we have a need in a residential program for backup drivers and equipment, we can use operators from our commercial program that gives us a ready reserve basically.

Another issue that became very apparent during the recession, we had some of the multifamily complexes where the property manager was contracting with one of the commercial providers to provide service to the complex. The -- a lot of multifamily complexes lost a lot of money. Some went bankrupt in a couple of cases and stopped paying bills. When waste management doesn't get their bills paid, they don't collect and we had people living in these complexes where the property manager wasn't making arrangements to have the dumpsters serviced and in several cases we were able to go back in because we had the capability in our commercial program to pick up the slack for a period of time until that got fixed.

[Time: 00:35:39]

Mayor Lane: Mr. Worth, I guess one of the things I don't really expect that we are trying to drive for

greater market share, but one that would necessarily support the level investment that we have in the program now versus maybe getting out of it. I mean, that's -- when you increase prices, if we had expenses to fix as well as some variable costs that are probably nearly fixed, we would want to reassess, you know where we want to be on it. That was my only point.

Public Works Director Dan Worth: Mayor, absolutely. Along those lines is, as I get into the discussion of specific rates that we are proposing, if it does drive customers away and reduce the number of accounts that we have in a particular program, it could end up because of some of the fixed costs increasing the per unit cost and it could end up escalating. If that's the case, then I think you are absolutely right. We need to make decisions about whether we will continue to provide that particular service. I don't think we are there at this point in time, but, you know, as we go and rationalize rates over the next couple of years, we could end up seeing some of those questions come to the forefront.

Mayor Lane: Right. We are not just obviously increasing rates because, you know, without consideration for where we are in the marketplace, but thank you. Yes, I'm sorry. Vice Mayor Smith.

[Time: 00:37:00]

Vice Mayor Smith: Go back to the slide of revenue and expense for residential. What part of the revenue is from selling the trash, so to speak? Do you get payment for the -- from the sorting people for the recycling?

Public Works Director Dan Worth: We get a payment for the value of the commodities that they pull out of our recycling. It has been in the neighborhood of about \$200,000 per year. So a small proportion. Most of it is ratepayers paying \$16 a month for the service.

Vice Mayor Smith: Gotcha. Thank you.

Mayor Lane: Thank you, Vice Mayor, Councilman Phillips.

[Time: 00:37:34]

Councilmember Phillips: I was wondering about the recycling program. Is this the time to talk about it, you pick up recycling once a week as opposed to twice a month. Because I noticed in my neighborhood, it's -- most people don't even put them out. They don't have enough recycling to cover it every week.

Public Works Director Dan Worth: Councilman Phillips, because we are not addressing any proposed rate increases on the residential program, I don't think that this is really a time to address that but there are some statutory reasons for that and I can certainly provide you the details at a different time.

Councilmember Phillips: Okay. At some point this will come up in the budget? Is that a yes?

Public Works Director Dan Worth: Um, again I don't want to get into the details, but we are providing that service at a very cost effective manner. That's part of the reasons why we haven't had to raise rates on the residential program for seven years. But we do have to do two pickups per week per house. That's a state mandate and the state has allowed us an exception to make one of them a recycling pickup. But the cost to do the recycling pickups aren't the same as the cost to do the refuse pickups because there are fewer cans put out.

Councilmember Phillips: It's just a discussion. You can see the streets coming down the street and they pick up ten across the whole street and it just seems like a waste of gas and time and effort on the part of the city to drive around looking for recycling bins to pick up, you know what I mean? Thanks for that, Dan.

Mayor Lane: Thank you, Councilman. Mr. Worth, if you want to continue, please.

[Time: 00:39:23]

Public Works Director Dan Worth: Mayor, this is the first set of three different slides that are going to show the proposed rate increase. We have basically three different components within the commercial program, the front loader as I mentioned earlier, the trucks and the big metal dumpsters and roll off containers, which are containers that we leave on site. The commercial fills them up and then we fill them up with a tracker and haul them off to the landfill and then a commercial recycling program. The front loader is about 60% of our commercial program in terms of its share of the costs. The biggest part of the program, by far. Recycling is about 24%.

These are the proposed rate changes for the front load. That bigger part of the program. Two components to the pricing. What you see is the cost for one container or once a week picked up. We have a multiple container discount. So if an apartment complex has ten containers, they are paying the full cost for the first one. They are paying a discounted cost for containers two through ten. The rate increase is a 15% increase for that first container and it's a reduction in the amount of the discount for the multiple containers. You don't see that on this slide. I will show you some examples of how that comes into play on the next slide.

And the other comment I want to highlight, you can see the bullet down at the bottom of the slide, like I mentioned earlier. This was anticipated part one of a two-year rate increase on a commercial program to bring it into cost recovery over a two-year period of time. The second year, if nothing changes and we know -- we know that's probably not going to be true, the customers will react and we'll see behaviors change, but the second year if nothing changed would be similar to the rate increases that you are seeing here.

These are our top ten commercial accounts. I didn't put the names up there, but it's somewhat sensitive. But our top ten in terms of the dollar value of the account, they are all multifamily apartment and condo complexes and you added a couple of columns. You can see the number of

dwelling units in each one of these complexed, and the number of containers, the charges are based on the number of containers. You can see that the increase is if you stipulate over to the right-hand column, the monthly increases on the bill for some of these apartment complexes are much greater than the 15% increase that we're proposing for the first container. The vast majority of our customers are one container once a week or twice a week customers and they are getting the 15% increase. The reduction in the multicontainer discounts makes the increases bigger for some of these bigger customers. And you can see the ones with 12, 13, 16, 21 containers, they are the ones with the biggest percentage increases.

A couple of observations, they can go to fewer containers. They can change their behavior and reduce the increase, reduce the impact. Other observation I want to make, the reason I put the number of multifamily units in the second column, if you take the monthly charge and divide it by the total number of units, I'm not suggesting that the property manager passed this cost directly on to their customers but they are getting their customers to pay for it one way or another. And the per apartment cost, and you can see in the middle of apartment, \$2.50 per apartment compare that with the \$16 for single family home residential customer. That's \$16 is paying for this refuse service, plus recycling service and brush and bulk but about \$8 of that is paying for the refuse so compare to \$2.50 to \$3 for what a single residents are paying, these facilities are getting a discount.

[Time: 00:43:44]

Mayor Lane: I appreciate the display but you can't hardly get past the idea that you are talking about 150 or 125%, and in some cases a little bit lower than that but a lot of them in 100% increase. Going back to my previous question in regard to the market is this a particularly strong area that the city is operating in and we feel we have greater latitude, even to be in the market? Or are we trying to get rid of some of this business?

Public Works Director Dan Worth: Mayor, we are not trying to get rid of any business. We don't have a good means of evaluating what the competitors are going to charge for these accounts and we fully anticipate that the property managers are going to do one of three things. They will either pay it, and potentially pass the cost on to the occupants of the dwelling units which is why we are showing that per unit cost, that's one option. The second option, they can change their behavior, and find a way to service their complex with fewer containers so that change in the multiple container discount doesn't hit them as badly. And we're going to work with them to do that. And then the third option, of course, is to go find somebody else to provide the service. We would like to be the provider of choice.

Mayor Lane: I understand. But when you think about these increases, you have to be considering what kind of impact it's going to have.

Public Works Director Dan Worth: It could certainly happen. We have to be aware of that possibility.

Mayor Lane: Okay. Thank you.

[Time: 00:45:16]

Public Works Director Dan Worth: Second category of service in the commercial program, the roll off containers, basically two components to the pricing. The price for the -- taking the container and dragging it off to the landfill, that's a hole in the terminology and then each pull we charge a minimum tonnage and they pay for that up front. We are proposing an increase and you can see it's fairly substantial for the pull. It's a smaller program. It was under recovering costs to a fairly substantial level.

So we have fewer customers to spread the rate increase over, but if we are trying to recover the costs on this program, this is what it works out to. The increase per pull is slightly offset by reducing the minimum tonnage that we are making them pay for. The bottom line, again, I don't have a slide to show it, but I took a look at our top customers in this roll off program. Our top four customers -- actually our top five customers, it was an H.O.A., two golf clubs and a resort, and -- and the fifth of our top five customers was us. WestWorld, in particular, is a large customer on the roll off program and those overall rate increases, if I take a look at what they paid this year, and they have varied from about \$4,000 a year to \$40,000 a year, those rates went up about 60%, if we had applied these new rates to those same levels of service.

Again, there are options. They can go to different service providers. They can change the behavior. They can go to a larger container in some cases and help to mitigate the cost increase, but I wanted to give you an idea of who the customers are, and what the impact is, and the largest customers were among them, and as well as golf courses, resort and an H.O.A.

And then this is the third category, our commercial recycling program. Similar dynamic in some of these areas. It's a small program, and in some cases, the cost recovery was way out of line. And we're looking at increases in the neighborhood of 300% for a couple of these categories to bring them back in line. Basically two kinds of recycling service, the carts at the top of the chart, that's similar to the wheeled carts that the residential customers roll out to the curb and the containers that's similar to the metal dumpsters. The carts we're looking at a 13% increase for the small ones and the biggest customers in the recycling cart program are actually the city. The civic center library, the one civic center office building, a couple of the smaller buildings or a couple of the city facilities, are the biggest customers in that program.

The increase for the larger carts, the 300-gallon carts is one of those 300% increases. A small number of accounts using the service, and that cost structure, I fully anticipate is going to not necessarily drive customers away, but drive customers to the smaller containers, because they can provide the same volume with three of the smaller containers at less cost. So it may ultimately end up to us stopping and providing it with that particular type of container. That wouldn't be a bad thing.

And then on the containers, the dumpsters, the bottom set of lines, the biggest customers are a couple of apartment complexes, and a couple of public schools. Scottsdale Unified School District a big commercial recycling customer. And, again, these are some fairly substantial increases. It reflects



the cost of serving a small number of customers with this particular program. And, again, I can't anticipate what the -- what the behaviors are going to be to react to that, but the commercial program -- the commercial recycling program is a fairly new program to begin with. Didn't even offer the container program, about 3 or 4 years ago, I believe, is when we started it, starting it on an experimental basis and the experiments are telling us that we are not recovering our costs.

So if we implement those rate increases, this is what happens and this is a revisit of slide number five, with the proposed rate increases. I showed you the beginning of the year fund balances on that previous slide without the rate increases we are declining to the neighborhood of \$5 million. We are at our operating reserve goal and below our total fund balance goal. The rate increase here stabilizes our sources, over uses and keeps us in the 10 to \$12 million fund balance range which we feel is healthy to meet our reserve needs and stabilize the rates in the event of unforeseen cost changes.

This is a revisit of slide 6, where it broke out sources and the uses by residential and commercial program, and you can see that the residential program still over recovered and diminishes until fiscal year 2020, when I ask you for a rate increase of \$16 to \$17 on the residential program if all other trends remain the same. On the commercial side -- well, this is current year. This is -- this is after year one of the proposed cost, proposed rate increases, and then year two in fiscal year 2017/18, we are breaking even and we stay at that break even point full cost recovery on the commercial program.

And of course --

[Time: 00:51:23]

Mayor Lane: Excuse me one second. Councilwoman Littlefield has a question.

Councilwoman Littlefield: Thank you, Mayor. Dan, I just wondered when you do these extensions out on the estimated results of doing these raises and the costs -- or the revenues, do you put any kind of a factor in there for possible loss of business as people possibly may go to competitors?

Public Works Director Dan Worth: Councilwoman Littlefield, we did not adjust our future year revenues or our future year expenses, based on potential loss of customers. It's very difficult to do that. But we felt fairly comfortable doing that because we anticipate some operational savings in the way we do business. There are also recommendations that we are getting from New Gen, based on their analysis where we can change the mix of programs and how we deliver some of the services and achieve some of the cost reductions that we think is going to balance the need for the rate increases next year and could help mitigate the impacts on some of our customers and maybe stop some of those losses that are inevitably going to balance out. We didn't explicitly do that. We think it will balance out with some of the efficiencies that we will gain.

Councilwoman Littlefield: Thank you.

Mayor Lane: Thank you, Councilwoman.

Public Works Director Dan Worth: And my last slide, of course, we will make changes like this. It's absolutely imperative that we do some outreach. We don't want to surprise anybody. And 1400 customers, we know who they are. We are going to reach out directly to those customers and explain to them the proposal. And we are also going to provide them some tools, some information, and frequently asked questions on why and how we calculated this and I think one of the things that will be very important, it's going to help some of those changes in user behavior, is the rate calculator. We will prepare that and have that available online so that business can take a look at what their options are and calculate what the rates are as opposed to if they are dealing with commercial provider, they have to call and walk through a process that could take some time and effort to complete to get a bid. They are going to be able to do it realtime on our website.

So with that, I would be happy to entertain any questions.

Mayor Lane: Well, thank you, Mr. Worth, for the comprehensive and excellent presentation. And you may have said it and apologize if I missed it, but when would this -- if, in fact, it's approved as it's been proposed, when would this go in effect, beginning the fiscal year or --

Public Works Director Dan Worth: Mayor, the projections are -- all the forecasts are based on implementing at the beginning of the fiscal year, although there's nothing magic about that date.

Mayor Lane: Gotcha. Very good. I will ask if there's any questions or a motion here to -- let's see, what do we -- yes. This is --

Public Works Director Dan Worth: I believe this is just part of a presentation for direction, and if there's no further questions, I will let whoever slides pop up next follow me.

Mayor Lane: Oh, possible direction from staff, if that's any kind of -- our questions probably have been answered and I don't know that there was any specific direction to what you presented today that's been given over to you. So I will leave it at that.

Public Works Director Dan Worth: Thank you, Mayor.

Mayor Lane: Thank you very much. Mr. Biesemeyer.

[Time: 00:54:56]

Acting City Manager Brian Biesemeyer: We will try this again. I believe my slides will pop up now.

Mayor Lane: There you go.

Acting City Manager Brian Biesemeyer: Okay. As I was saying, enterprise funds include solid waste, aviation, water and sewer. The part I will brief you here is on aviation, water and sewer.

On the aviation side, the last increase was in 2011. We are proposing no increase for this year.

There is a proposed debt issuance for next F.Y. If we move on to water, a little history of our water rate adjustments you can see over the last six years, and then as proposed for this year, we are not proposing a rate increase for this year. So the overall rate increase for both combined water and sewer is 1.2% over seven years. And that is done in just -- just to give you an idea of some of the -- that's done through efficiencies and operating our systems efficiently and with cost in mind. So you can see one of the major cost drivers is our central Arizona project water, and our Colorado River water which is approximately 75% of our water use and that cost has gone up 38% during that same time frame our customers experienced about a 1.2% increase. We do have several bond issuances planned for 17/18 and 23/24.

There are some -- there are some service charge adjustments that are proposed and those increases are driven by materials and labor and then we are proposing a storm water quality increase that is driven by some needs for some improvements in -- in two specific pump stations. So specifically to the charges at hand, the service charges -- and these are service charges that are really predominantly done by new homes. This is when somebody comes to put in a new home or a major upgrade to a home that requires a larger meter, and service line, these are cost recovery charges that we charge for meters and service lines. This charge is based on -- we plan to come to you this year for this rate increase and then we'll be back for a similar one next year, due to the cost increase that we have seen. We are going to try to implement these over two years. So what you will see is the first year of two year increases in these. And, again, these are the larger meters and larger service lines.

To note at the bottom is a new charge, a manual meter or a non-A.M.R., which is an automatic meter reading device. We have customers -- we are going through our system and programming -- we have a program in place to replace our manual read meters with automatic read meters. We have encountered some residents who don't want an electronic device on their property and have asked us to keep a manual read meter there.

We have done that, but there's a cost. When we convert a whole meter route to electronic meters, there's a cost if we leave a manual meter there that has to be read manually, and so we are doing this at our customers' request to -- who have requested to leave those manual meters in place but we -- we would like to collect the cost for that. And so we are proposing a \$2 a month fee for someone who elects when their meter is scheduled to be replaced with an automatic meter reading device, if they want it to be a manual read meter, there's a \$2 a month charge for that.

Overall on the storm water increases we are proposing a 15 cents increase in the storm water fund for maintenance and rehab of pump stations, storm water pump stations. And just not that our rates are set as such, but every year we like to show you where we compare to cities in the valley and you can see our overall bills are right in the middle of our valley cities. And this is for a slightly larger meter, and the same basic results we are in the middle of the mix. Given our height elevations and the number of pressure zones that we have to deal with, I think it's rather remarkable that we can stay there, because the smaller cities are -- I say smaller, Gilbert and Chandler, the two on the far end are fairly flat cities and have two to four pressure zones. We have 18 as we deal with the elevation changes in the city.

And that ends the water and -- the aviation and water, the enterprise fund fees pending any questions.

Mayor Lane: We do. Thank you, Mr. Biesemeyer. Vice Mayor Smith?

[Time: 01:00:35]

Vice Mayor Smith: Thank you, Mayor. Mr. Biesemeyer, go back to your aviation slide. You mentioned almost as a footnote that they are going to have a \$25 million bond increase next year or bond issuance next year. And I think could you tell us a little bit about what that is for. Does it -- is it something that we approve up here? How do they recover the debt service over time?

Acting City Manager Brian Biesemeyer: It's for the terminal -- Mayor Lane, Vice Mayor Smith, thank you. It's for the terminal area expansion and that is an expansion that you would approve as a C.I.P. project, presented before you. And the bond is an M.P.C. bond that I will defer to the treasurer for explanation on that.

Vice Mayor Smith: While he's coming online, we have already approved the project?

Acting City Manager Brian Biesemeyer: That is correct.

Vice Mayor Smith: Okay.

City Treasurer Jeff Nichols: Yes, and Mr. Mayor, Vice Mayor Smith, I'm told by the aviation director that this project will only go forward if, in fact, we find tenants for those improvements and it is through the charges to those tenants for those improvements that we will retire this debt.

Vice Mayor Smith: Okay. So that was my question, is there a source of revenue to handle the debt service and the answer is there either is or will be.

City Treasurer Jeff Nichols: Yes. The project will not go forward if we don't have those commitments from those tenants.

Vice Mayor Smith: Okay. Thank you. That's it.

Mayor Lane: Thank you, Vice Mayor. I don't know that I had any other questions. I wanted to make one point and that is certainly congratulations with and frankly an average household use of water actually leveling off or going down in view of the number of increased households that we have over the last five years we realize that your fixed cost spread over a lesser amount of units is going to give you a lot of pressure. It's going to provide some pressure on your expense side of things. And I think you have been very, very cost sensitive and frankly even from the standpoint of revenue streams we seem to be in pretty good stead and have been for a number of years from the water department. So I just wanted to point that out.

Two things, one is that we are actually using about the same amount of water with a fair amount of

additional households over the last five years in total. And the other is that we have had increased costs coming out of the C.A.P. specifically that adds to it, much less your other regular variable costs that are going to be there and then, of course, the fixed costs that may be spread over a lesser number of units of gallons. So I just wanted to point that out for anybody who is listening. That's great kudos to you and your staff for maintaining that kind of cost structure.

Acting City Manager Brian Biesemeyer: Thank you, Mayor.

Mayor Lane: I think that takes care of that one.

Acting City Manager Brian Biesemeyer: I'm trying to speed through and I will get Jeff Nichols up to talk about non-enterprise rate changes.

[Time: 01:03:49]

Mayor Lane: Very good. Thank you, Mr. Biesemeyer. While I have a little bit of a break, Mr. Nichols, we have an announcement from the fire department. The fire marshal has indicated that we have reached our capacity in here, and so there are additional TVs and speakers available outside. We will allow for some rotation of people so that you may -- some may leave and we'll allow others to come in. We'll see how that might work. There's -- if no one leaves, others will not be allowed in. So that's where we are at right now. So I'm not sure where that also might be going but please, I would ask you to follow the directions of the fire department and the fire marshal in this regard. It's an important component. We would hate to get to a position that we have to vacate the premises.

And I think this was announced earlier. And this is -- this is a particular note. We need to keep the stairways and the aisle ways clear enough so that people can get through. I would ask you not to occupy the stairways, in particular. So I would ask for your cooperation on all of that, please.

Okay. With that, Mr. Nichols, if you want to proceed with the next item.

[Time: 01:05:00]

City Treasurer Jeff Nichols: Okay. Mr. Mayor, members of the council, the non-enterprise rate change proposals, an overview, we are just trying to -- we don't fully cost recover from these rates, but we do try and recover from a portion of them, whatever we feel is acceptable to the council.

We have four proposals coming forward. Our four divisions coming forward, you see them listed there, and then three departments within one division that planning WestWorld, tourism and events. The new adjusted fees estimated to bring in a total revenue increase of approximately \$475,000 into the general fund. I want to point out the asterisk there because sometimes I miss that when I'm looking at a slide. But this includes some of the revenues that were talked about at the tourism and the events presentation on the February 16<sup>th</sup> council meeting. So -- and then also we have some new and adjusted fees for the McCormick Stillman Railroad Park that will bring in about \$16 million.

So starting with the review. Scottsdale Stadium, we are looking to increase the facility rental fee. Staff has indicated that they looked at stadium rentals across the valley and found that we are significantly lower than other stadiums. So we are looking to increase that fee. The Scottsdale Sports Complex - council took an action last year to increase the per day rental fee for that complex, the whole day and this was overlooked. We have some 5k races that are run out there, and we would like to keep that ratio of the total rental fee and this aligned and this gets that 5k rental fee back in alignment for that feel.

The library, we are looking to establish a fee to recover or replace lost or missing disks when they are not brought back. And then in the aquatics program, all the pools were looking to eliminate the seasonality, and increase the rates for cost recovery. Facility booking, again, staff looked at this. We are on the low end of other valley cities and comparable communities nationally. We are looking -- we believe that staff believes that we can -- that we will not see a reduction in the bookings of the facilities with the increase in fees. So they believe we have some elasticities within those fees and we cannot impact.

The Horizon Park Community Center. We are looking to recover a portion of the funds based for a program out there, based on 24 youth registering for that program. And then again at McCormick Stillman, it's to correct a few errors that was found in a recent city audit and also to increase revenues by beginning charges for a part of the park that we never rented out before and that's the executive car fees.

So here's some of the proposed rate increases you see the Scottsdale Stadium, approximately 15% increase. The state complex, it aligns now with the fee for the whole sports complex. The library, \$10 fee for a missing disk if it can be replaced. If not, the people will be responsible for replacing the whole set. Some of the aquatic fee changes and, again, we are taking out of the seasonality and just having one charge for the different residents and nonresidents. And, again, some of the program fees you see for facility booking rental, all I will point out is that we do have residential fees nonresident and then commercial fees and we are adjusting them accordingly. Some of the facility booking permits, sand and volleyball, again, just making adjustments based on cost recovery and you see the new fee down there for the horizon team after school program of \$30, which is about 31% of the cost of the program. We figure over a two-year period we will get that closer to a 50% cost recovery. And then the McCormick stillman railroad park, again, you see we have seasonality and fees. I think it was pointed out at the special events meeting last week that, you know, during the month of June, July, and August, people probably should pay less if they want to go out and be in the environment and so we do give them a discount during that time of the year.

This fee related to public safety, the off-duty commander, you see it's a new fee. We are not charging currently. There's some of our commercial events like the T.P.C. that recently took place, the Barrett Jackson, some of the larger events, there's enough staff out there that we have a command staff that's required to run the operations from a public safety standpoint. Currently that person is only being compensated at the level of a lieutenant. So they are requesting that we have this new charge so they are compensated accordingly.

Excuse me. Public safety fire to request, one to increase the special events operations by 25%. Another, again, you see a command staff that's a new charge for that level of service and then we are removing the off-duty rates because the fire department does not have staff to run an off-duty program in the same manner that the police department does. So they are saying why have the fees at all?

The wireless communication facilities in the right-of-way, we are proposing a 3% increase. This is really if you would describe it as adjustment, inflation adjustment. It's not in the contract that we have with these. It's not an automatic increase. So each year we come before you. There was concern, what if it was greater than 3% and we wouldn't be able to recover that increase. So it wasn't written into the contract. But this is customary and actually the facilities budget for it. The communication facilities.

And then an annual review of the fees out at WestWorld, again, these are being driven by our costs to operate in the market demand. You see we are requesting increases there for the T.N.E.C. and the arenas. We are requesting increases for the arenas. Again, based on market demand and comparable pricing for premier events at these facilities. The parking lot, the increase in lot h is because most people are using that as an event lot. I mean, to -- to produce events and they are not using it for parking. So we are coming up with a fee for that.

And the other fees are all market driven. The horse stall clean outs, driven by cost. We actually contract out that. We pay per cost and then we also pay an operator to haul it to -- for disposal, and we are just hooking for cost recovery in that area.

You see we are establishing a broadband Wi-Fi service fee. I know places that I go in my travels, a lot of times if you want access to the Internet, either it comes with your room or if you are in a facility, you have to pay a fee for it. We have a fee, unfortunately you will see also the -- it's only located in certain areas within WestWorld. We are looking -- there's a capital project coming in order to improve that. But we are looking for cost recovery in a revenue stream to pay for those improvements if at all possible.

And then we also bought some electrical amp distribution boxes and we're charging for those, looking to amortize them over their life, their useful life and charge a fee to recover those costs for those boxes.

[Time: 01:13:05]

Mayor Lane: Mr. Nichols, I'm sorry. Just on the first item, and maybe it applies to some of the rest of the items, the parking lots, arenas and maybe some of the other fees and though the other fees seem to be -- well, they could be -- well. Is there a seasonal adjustment even for some of the climate control facilities or is it -- do we have -- with these increases have we changed the entire scheme seasonality? And do we have a seasonal rate?

City Treasurer Jeff Nichols: Mr. Mayor no, we don't have a seasonal rate for TNEC. We are bringing forward a proposal for someone who is considering the shoulder seasons which we consider May through September and we are looking to work on those vendors, and they bring something in during that time frame. We realize that that is a time that we really need to program those facilities. It's when they are sitting empty now, but that's not going to be within the rate schedule. That will be something we'll bring forward for council's consideration when we get an agreement with a vendor or a producer.

Mayor Lane: Yes, I think one of the problems that we have encounters rally, the one case-by-case basis situation, totally negotiated issue, rather than some kind of standard consideration for seasonal, whether it be shoulder or off-season completely and frankly, making the distinction between those two. We do have an absolute desire to make sure that we are promoting the off-season use of these facilities. So just playing it by ear as it comes by, I guess the suggestion is -- and I think what have you told me is we don't have any seasonality in our rate structure, but just like the Ramadas in the park or otherwise, it would seem like it would be appropriate for us to be considering that and this may be a little bit aside of from this. So I won't enter into that discussion. It's not agendized for that, but I'm glad to know the information, anyway.

Yes, Vice Mayor Smith?

[Time: 01:15:04]

Vice Mayor Smith: Well, I was really just going to echo what you said, Mayor. I think there should be some seasonality in the rates and I think Brian is looking like he's itching to grab the microphone. I agree completely, looking at these one at a time is not only cumbersome at our level but it is also cumbersome for the users. It extends substantially the period of time that they have to tie down a deal and know what the process is. I don't know whether it's agendized or not, but certainly I would like to give direction that we come up with something like that.

Mayor Lane: Yeah, you know, in that sense -- and Vice Mayor thank you for that observation, and adherence to the agenda versus non-agenda. I think from the Vice Mayor and ourself, we would like some consideration and it's brought back.

[Time: 01:16:04]

City Treasurer Jeff Nichols: So noted, Mr. Mayor. And so here are some of the fees. You see the percentage increase change. Again these are all cost driven. It's driven by the cost of the programs. We feel they are reasonable and we feel for the facilities, the nature of the facility that we offered that they are very reasonable. And then we are removing some of the fees from WestWorld, like you see the north hall, we are removing the arena. Well, they had put in the per capital project to actually have a portable arena to put in the north hall. We didn't go forward with the capital project. So we are just removing that fee.

And another one you see, the chairs at Wendel arena, the fee was set at zero. I don't know why we



would ever have a fee that's set at zero, but we did. We are just doing some basic cleanup within the WestWorld program. And with that, that's the end of my presentation if you don't have additional questions on the rates and the fees.

Mayor Lane: Thank you, Mr. Nichols for that presentation and I appreciate all the work that went into that as well. I don't see -- I don't know whether council has any further questions, for Mr. Nichols on this. Otherwise, it look his like we are ready to move on to the next area.

City Treasurer Jeff Nichols: Can you cue up the monthly financial, please, Brian?

## **ITEM 27 – MONTHLY FINANCIAL UPDATE**

[Time: 01:17:26]

Mayor Lane: We are moving directly into item 27, the monthly financial update. We could put that off, but this is probably a quick one and we will now move into consent before we'll give the additional time. You know, as further explanation, just so that everyone knows, we weren't really just forcing everybody to try to see the workings of council, other than the big issue at hand. We were really trying to make sure that we got these things out of the way in a timely manner as best we possibly could and then, of course, start getting close. We are now part 5:00, but, nevertheless, we should be done quickly and then we'll be able to devote the rest of the meeting to the primary issue at hand tonight. So if we would, let's go ahead.

City Treasurer Jeff Nichols: Keeping that in mind, I will keep it a very high level. General fund operating sources you see bottom right-hand corner, positive variance of \$5.8 million or 4%. The vast majority of that is driven by sales tax, which I will talk about in this slide. And so looking at sales tax, 2.9 million positive variance being driven mostly -- you look at miscellaneous goods and services, and payments for computers and the like. You see a large increase in construction and rental of 19% and 10%. And those are related to several large one-time audit payments in the construction area and the sale of a commercial building which we booked there and then in the rental, the variable variance is due to the sale of two apartment complexes and a large audit payment. So audit staff doing a good job making sure that people pay taxes that are due.

You look at the month over month for year over year January, you see a 6% increase. I would just like to add that for fiscal year-to-date, we are 5% favorable variances was noted on the previous slide. It's hard to discern that when you look at all the different bars for the year.

And here we go. General fund operating uses by category. Again, bottom right-hand corner, positive variance of \$1.2 million or 1%. The savings in personnel services, mostly related to full and part-time wages and community services doing a great job managing their department and I would also note there are significant savings citywide to include the fire department and the city attorney's office. We have a retirement of a lot of tenured people and, of course, they were budget entered at a much higher salary than those who are filling the position. So those savings accrue to it us.

Contractual commodities and capital outlay. This is about \$800,000, and as was noted by Mr. Worth earlier, the fuel costs continue to stay low which we benefit from in that area. The transfer is out. What I wanted to just point out, those related to the actions you took just recently to transfer some monies from the general fund, unfunded reserve and to the health insurance fund, and also there was one related to the sale of a property recently in D.C. ranch, a property that the city owned and put on the market and received a reasonable amount for. That was booked into the general fund but then transferred out to capital fund per your direction, which staff requested.

So bottom line is a \$7 million favorable variance when you look at budget to actual, through the fiscal year-to-date January 2016. With that, I will answer any questions you may have.

**CONSENT AGENDA**

[Time: 01:21:49]

Mayor Lane: Thank you, Mr. Nichols. I don't think we have any questions. That's generally indicative of a great presentation. So we have completed the regular agenda items that we tried to put in front to clear the deck for the other items, but before that, we are going to go ahead and attend to our consent items which are items 1 through 22. And I have no questions from the public on any of the consent items but I do have a request by Councilwoman Korte to -- she has a question of staff, I believe, on this. On item 11.

Councilmember Korte: Thank you, Mayor. Number 11, Scottsdale National Golf Club preliminary plat. Staff, is that preliminary plat, or is that final plat?

Senior Planner Jesus Murillo: Mayor Lane and Councilwoman Korte, you are correct, there's an error in the report, there's a final plat.

Councilmember Korte: So item 11 should read Scottsdale National Golf Club final plat.

Senior Planner Jesus Murillo: That is correct. Now, we did have a discussion about it, and so the actual document that will be recorded was going to be -- will state final plat on it.

Councilmember Korte: Okay. Thank you.

Mayor Lane: Do we need to make -- I would ask maybe the city attorney, do we need to make any change on the consent item 11?

City Attorney Bruce Washburn: Mayor, I believe with that clarification, staff can make any necessary adjustments more along the lines of a scrivener's error.

Mayor Lane: Either a question or a motion, Vice Mayor Smith?

Vice Mayor Smith: It's a trivial question, item number 7 refers to the design of an artificial pine tree.

Is that intended to be a palm tree or is it indeed a pine tree?

Current Planning Director Tim Curtis: Mayor and Vice Mayor Smith, that is a pine tree and it is the first artificial pine tree in Scottsdale.

Vice Mayor Smith: Well, it -- A day to remember.

Mayor Lane: We are in a new business! Okay. We got that clarified.

Vice Mayor Smith: With that clarification.

Mayor Lane: It's not a typo or scrivener's error.

Vice Mayor Smith: I'm enthused to make a motion that we accept consent items 1 through 22 as presented.

Councilmember Klapp: Second.

Mayor Lane: A motion made and seconded by Councilwoman Klapp. Seeing to further questions on any of the other items on our consent, we are then ready for a vote. Those in favor, please indicate by aye. Those opposed with a nay. Aye. It's unanimous. And so the consent items. So if you happen to be here for any of the consent items, you are free to leave and open up some seats or you can stay with us.

### **ITEM 23 – BASIS CHARTER SCHOOL ABANDONMENT (11-AB-2015) AND DEVELOPMENT AGREEMENT**

[Time: 01:25:06]

Mayor Lane: So that does take care of our -- the rest of our business on this agenda with the exception of our remaining regular agenda item, and that is the BASIS Charter School abandonment, and development agreement. And just for the record, this is a request to adopt resolution 10327 authorizing the abandonment of a 250-foot wide 127<sup>th</sup> Street right-of-way from East Cochise Drive north approximately to 576 feet to east Shea Boulevard and a 33-foot wide general land office patent easements on the east and the west sides and the north 13 feet of that.

And the second item within item 23 is to adopt resolution 10346 authorizing development agreement 2016-017-COS and I will ask Mr. Washburn again, in this case, we have the one item, but we have two specific resolutions. How do we propose to take them, together or one at a time?

City Attorney Bruce Washburn: I believe that the discussion, since the two are interrelated, the discussions should be -- both items should be discussed at the same time, but they should be acted on separately and the development agreement is contingent upon the approval of the abandonment, and so I would recommend the council do the abandonment first.

Mayor Lane: All right. Very good then. So we have Doris McClay?

Planner Doris McClay: Yes. Mayor, Councilmembers, Doris McClay with the planning department here to present the BASIS Charter School abandonment request 11-ab-2015. The site is located at east Shea Boulevard and North 128<sup>th</sup> Street, the southwest corner. The applicant is requesting the abandonment of the 20-foot right-of-way of north 127<sup>th</sup> Street, which is on the west side of their property. They are also requesting the abandonment of the 33 feet G.L.O.s on their property and the 30-foot G.L.O. on the south side of the property which is along the East Cochise Drive.

This is the site plan overlaid over the abandonment area. The local area infrastructure plan does not show 127<sup>th</sup> Street as a proposed street. The site was proposed to have a cul-de-sac and access off of east Cochise, but that's no longer needed with the BASIS site plan. The Planning Commission recommended approval of the abandonment.

After the Planning Commission hearing, the applicant revised their site plan to address some of the neighbors' concerns. They have added an access off of East Shea Boulevard, and they have added a parking area on the north portion of the property. This area was formally their scenic corridor easement.

Traffic has been a major issue with the site plan. The abandonment is conditional on the development agreement that addresses some of those traffic mitigation measures, and also school operations. The development review board did not approve the original site plan for the BASIS School.

That concludes staff's presentation. Our transportation department is here to answer any traffic questions and the applicant is here to make a presentation. Thank you.

[Time: 01:28:48]

Mayor Lane: Very good. Thank you very much. I'm sorry, I missed that. Next the applicant may speak. Staff has completed theirs?

Applicant Representative Jordan Rose: Mayor members of the council my name for your record is Jordan Rose with Rose Law Group and with me tonight is Peter Bezanson, the head of BASIS Schools. Jonathan Gelbart and Lynn Music and in addition from that, Court Rich and Nick Labadie.

First of all, I wanted to note and say thank you to the 450 people who are here both inside and outside. I know there's standing room only. I think this is a record for an abandonment hearing, right? It's exciting stuff! So thank you all and maybe you can raise your hands if you are in support of BASIS tonight. Because we certainly don't want all of you speaking, right? Okay. Thank you. Thank you.

All right. So first off, I want to thank your staff. They worked tirelessly with us. Joe and Bruce and Randy, Tim and Paul, Phil, who will I miss? Doris, of course. Thank you, guys, for just continually

trying to work with us. The Planning Commission for the unanimous support of what is before you tonight, and our nearby neighbors, who we have -- we were grateful to the council, Mayor and Council for allowing us that two-week continuance.

We worked very hard with them and I have a great announcement for you and for the folks here that are in support of BASIS, and the neighbors that live nearby the site. We have come to an agreement. We will be presenting that development agreement tonight. Yeah, and that's --

Mayor Lane: I'm very sorry. We do try to refrain from that, as I said earlier. Please. And I appreciate the sentiment, but please.

Applicant Representative Jordan Rose: I appreciate the sentiment too and I know that all of these folks appreciate you, Mayor, Councilwoman Korte, Councilwoman Klapp, Councilwoman Milhaven and the others. You spent countless hours meeting with both sides, both parties and I know this has been difficult and we appreciate where you brought us to. This is exactly how the process is supposed to work. And it's not supposed to necessarily be easy, but in this case, we have a good result.

So I'm just going to run through the development agreement deal points that we agreed to. I know -- and I know that most of you -- most of you have seen these. Okay. So we have two votes tonight. The G.L.O. abandonment, which I will get to in a second and the development agreement which incorporates all of these improvements that BASIS needs to make and requires us to make those so that we can make this site safer and more efficient than it is today. Today that intersection is a level of service f and with the improvements that BASIS will make, all four traffic engineers agree that it will be a level of service c. So putting in the basis with these improvements that are required in the development agreement will make the area safer.

This is the development agreement and these are the deal points. There will be two start and end times dividing our population. There will be a signal at 128<sup>th</sup> Street and Shea. There will be a widening of 128<sup>th</sup> Street providing left and right turns on to Shea and this is sort of a depiction of what 128<sup>th</sup> Street will look like from our site to the north. And you can see there's multiple lanes. It's not what it looks like today. That's what it will look like when our site is built out, according to the development agreement.

We have a student enrollment cap set of 1,215. We affirmatively will hire two off-duty police officers to control the drop off and the pick up at the site. We will construct a pork chop in our entry and exit on 128<sup>th</sup> Street which will prevent people from turning south into the neighborhood. And if more than 10 drop offs or pickups turn south in any one day, then we'll have to hire two off-duty police officers for either the remainder of the school year or for six-month period of time to patrol. If more than four cars cue on to 128<sup>th</sup> Street at one time, more than once a week, then we must change our circulation plan.

And then we must hire -- and we affirmatively -- and this was important to the neighborhood, affirmatively hire two off-duty police officers for our first off-site event and if more than five vehicles are found parking in the surrounding neighborhoods then we will have to hire two off-duty police

officers for six months and that has real teeth because you are not -- you are not going to see folks parking when there's -- when there's off-duty police officers asking them to obey the requirements. We're going to require parking passes and they'll be colored and coded according to where the people live, so that the off-duty police officers will know if they live south of the site and that was a suggestion, a great suggestion by the neighbors. We'll limit the student count of drivers that have parking passes to more than 115.

The landscaping -- the neighbors suggested two rows of 48-inch box trees, which are very large developed trees on the south and the east side of the property. So we will have massive amounts of screening and we appreciated that suggestion and certainly agree to it. We won't have any exterior lights except for the safety lighting, that would be required. We will have no outdoor school bells, except during the hours of 7 and 5:00, when the school day is happening, and there will be no outdoor band after 8 p.m., if even that late, but no later than. There will be no more than 10 non-basis events allowed, that require off-site parking per year and we are adding 50 more parking spaces. And that was a direct conversation with the -- with the neighbors, and we appreciated that.

We are adding -- and this is a big one. This was something that the neighbors and I should -- I should really thank Chip Beck and Matt Barrens for spending so much time with us. They are closest to the site, and they really wanted to see a Shea Boulevard entrance to the site. We worked with the city traffic engineering department. This will alleviate some of the traffic on 128<sup>th</sup> Street, and we are happy to see tonight that we are able to implement that. There will be signage that we need to install for no parking, and the city has agreed, and thank you to the city to conduct random traffic counts to generally police the site. The city has agreed that if 70% of the neighbors are in support, they will install traffic calming solutions and if 80% the citizens are in support, they will provide no parking signs. That's 70% and 80% is in a very small area. So it's like a block. So it's not an entire giant area of 80%. It's very achievable. If the seven folks on a street want to see a traffic calming, then they can certainly work with the 70% number. It's not a giant area.

We have agreed to form a neighborhood relations committee, and they will be working with the community directly. And there will be two public meetings a year and we will be notifying everyone within 1,000 feet of the property. So that should be very helpful and the city has agreed to send a representative to those.

So I just wanted to run through a couple of things. There are many schools similarly situated. Shea and 40<sup>th</sup> Street, Gateway Academy. The Montessori. Tatum and Double Tree School. And Scottsdale Christian, Notre Dame at 98<sup>th</sup> and Bell. The Phoenix Unified Christian Indian School Road and 18<sup>th</sup> Avenue. Christ Lutheran at Indian School and 40<sup>th</sup> Street and I could go on and on. I wanted to make sure that we are clear that we picked this site because it seemed very appropriate and there's very many other schools that are similarly located.

The enrollment in the property size have been discussed, and I just wanted to give you some quick comparisons. BASIS generally looks for a 5-acre site. It's a 9-acre site. It's larger than what they need. To compare that, we have 1,215 students. Paradise Honors School is 6.2 acres and they have 3,000 students. Phoenix Advantage has more students and even less than half of our site. Success

Schools has 1,500 students on 4.21 acres. Canyon Point has 1,700 students on 5.6 acres. San Tan Montessori, a similar amount of students on 6.27 acres. And why is that it's because we don't have the sports fields that many of these other schools -- the other schools have. Noah Webster Pima, a similar student count on less acreage, and Sequoia Pathway, less acreage. Arts Academy Estrella, similar acreage and similar size. Sometimes this clicks and sometimes not. Noah Webster Academy. And then BASIS again is 1,215 on 9 acres.

And then finally, four traffic engineers, thank you, believe that it's safe as designed. That is the city transportation director, the BASIS traffic engineer, the booster club, the parents club who hired their own traffic engineer because they heard all of this conversation about safety and they wanted to find out for themselves and then the -- opposing, one of the opposing parties hired an engineer who believes that safety is as it's designed and so the only question to is whether to support the planning commission vote to abandon the easement Scottsdale.

You see some of these abandonments are active, and some are not withdrawn. But we have not found any that have been denied. Other public school ease elements that have been abandoned were desert mountain and Laguna elementary school. The green depicts the easements. There's no actual buildings in the easements. All we are using them for are driving over them and parking on them and we can certainly reconfigure that if you don't approve the G.L.O. easement abandonments but dozens have happened in that area. Our site is in green and the yellow are various abandonments that council has approved in the area very nearby over the years. The yellow are the G.L.O. abandonments and then the red that I will overlay are over abandonments. You can see even just directly south of our site, where this abandonment is being requested, you already abandoned that. So if you were to keep this marked easement, it would have nowhere to go. So 127<sup>th</sup> Street has already been abandoned. So we are just continuing that.

So although BASIS can construct the school without the abandonment or the development agreements. We very much want your support. We are happy for the neighbors' support and we have over 3,000 Scottsdale residents in support. This is a map showing the general area of 3,000 signatures of support. You have submitted petitions. I know you have gotten slaughtered by emails and we are grateful that you have paid attention to those and these some are of the petitions. Governor Ducey weighed in with support and we certainly appreciate with that. And we are very happy to be building this brand new school in this location.

And I would just close with saying, again, Matt and Chip, thank you so much for working with us. We can't thank you enough for coming to the table. There's another group, I think the leaders here to talk, who didn't want to come to the table who indicated they had a lawyer, but then when asked if we could speak to the lawyer, said they didn't have a lawyer and then said they had two engineers. And when we asked if we could have our engineer interact with their engineers, they said we can't do that and then went to our bondholders and tried to thwart the deal. That's just unprecedented. I have never seen anything like that in the 20 years I have been doing this, but in any case, we wish we could have communicated better with them. But we are so happy that the 200 or so folks that are surrounding, are in agreement with the development agreement and appreciate all the work you have done tonight to get us to this point.

I will reserve my time for later. Our engineer has a quick model demo for if you want that.

Mayor Lane: We have an extensive number of cards that have submitted to speak. Normally it is a three-minute period of time, but with 50 cards it would really be prohibitive to have that kind of allowance of time. And so I'm going to -- and I'm hoping we do have a couple of occasions where we have some combined cards to add some time to it. I'm sorry. Do we have somebody --

Applicant Representative Jordan Rose: Mayor, this is our traffic engineer that would just finish off our presentation to show how the site will function.

Mayor Lane: I see. And, you know that obviously we are somewhat restricted. We have restricted ourselves to the ten minutes, which we're done with right now, but what I will say is after we have the testimony, if that's okay, there will be a response time, if necessary and we can give you just a little bit of time there. How long do you expect that might take? Okay.

So before that, though, we will -- as I say, I will reduce it -- I will reduce it in order to expedite it. Those instances where somebody has joined up, we will give some additional time but in order, in deference to everyone's time constraints and frankly, just the message that we want to make sure is received from anybody who would like to speak, we want to keep it to the one minute.

I'm going to start with Chip Beck and I would ask that you stick as close to that as you can. And frankly, if you don't need all of it, that's okay too.

[Time: 01:44:08]

Chip Beck: My name is Chip Beck. I'm one of the closest neighbors to the site. I speak today on behalf of John Willard of Civtech traffic engineering. I was asked to attend a meeting along with Matt Barrens, and our attorney. The C.E.O. of BASIS Schools Mr. Peter Bezanson was there, along with people of the Rose Law firm. And several city officials were there in addition to Mayor Lane. This was the first time I was able to sit face to face with the BASIS School representative and actually negotiate with the people involved. Negotiating through attorneys is kind of like lighting your house by burning \$100 bills why your fireplace. It can be done but it's not real pleasant and it's always expensive.

The Mayor started meeting by correctly stating that he didn't know whether or not in anything could be accomplished but he wanted to try. Furthermore, he didn't want to rehash old arguments about what should have or should not have been done in the past because that's water under the bridge. He indicated that there's no perfect solution but perhaps we can come to a best solution. I was asked if there's anything that could bring us to go and I responded yes.

Our neighborhood safety concerns were as follows: I will go through this as quickly as possible. I think I can shorten the whole meeting up a lot if you let me run through it. Our neighborhood concerns were parents dropping off kids off site. Because of lengthy queue inside the school when



they didn't have time to wait. This would force the kids to walk on the streets when at the didn't even have sidewalks. And we don't allow our kids to walk or bike in this neighborhood. About 1,000 kids coming through a single lane choke point on 128<sup>th</sup> Street violate the ADOT, guidelines. 128<sup>th</sup> Street is a primary access route to for an entire neighborhood and we are land locked to the east, west and south. And if there was the child biking and walking to school that had no safe routes hasn't they would have to mix it up with the automobile traffic. The site didn't have adequate parking during special events and probably even during school days students or parents would end up parking in the neighborhood streets and number five of secondary importance, however, was the big box structure height and size of the school, were inconsistent with the character of the neighborhood.

Prior to the meeting with Mayor Lane I sat down with our traffic engineer, John Willet and asked him, can you show me the best possible way to get students in and out of this school in the most efficient manner in the least amount of time that would give parents the least incentive for dropping kids off site? In other words, you know, drive -- when they drive into the school, the kids are safe. When they are dropped off site they have to walk in the streets. This really isn't a safe route for biking or walking to this school. Civtech has a lot of knowledge about what works and doesn't work. They designed a system like this. They said the fastest way to get people in and out, given the constraints of this site, he says, it's not an ideal site, but if you added a second entrance, with a dedicated drop off zone, coming in off Shea Boulevard here, and looping around, and dropping off kids right here, the entrance off 128<sup>th</sup> Street would come down here and everybody that is coming from Fountain Hills area, would turn south on 128<sup>th</sup> Street and 20, 30, 40, 50% of the traffic going down Shea would also have to bypass this entrance and also come in off 128<sup>th</sup> Street. He said if the school was issued -- or in the parents were issued window stickers, color coding, like red would indicate the red entrance off Shea and blue stickers for the entrance off 128<sup>th</sup> Street, the school could modulate the number of students that come in off each entrance and prevent any excessive cuing on to the streets.

I know the city is concerned about the excessive cuing on the Shea Boulevard entrance. So if the school started out with 25% of the students coming off Shea that would ensure it flows smoothly.

Mayor Lane: I'm sorry. In view of my instructions and also to be fair to anyone else who wants to speak, and I very much appreciate where you are going with this but if you could quickly wrap it up, I appreciate it.

Chip Beck: Okay. I will wrap it up. The plan that we have come up with here, with the trees, the entrance off of Shea, 50 additional parking spaces where student drivers only come in and out once a day and kids dropped off, the kids get dropped off once a day, takes cars off the 128<sup>th</sup> Street and cut the time by 30, 40% and give them less incentive to drop the kids off site and keep more kids off our neighborhood streets. And this is the best of a very imperfect -- the best solution to an imperfect site. And therefore, I signed off on it. BASIS came to the table. They spent a lot of money on this. Thank you to the Mayor for bringing us inside. I didn't think there was any possible way we would come to an agreement in that meeting of I was stunned when we did, and -- but, you know, once they said go, we said go too.

Lastly, I would ask that the city staff look for a way to make this work instead of a way to -- to shut it

down. That's all I have to say.

Mayor Lane: Thank you, Mr. Beck.

Chip Beck: Community Safety Advocates, based on our vote, withdraws our objection to this site plan, assuming this is all implemented.

Mayor Lane: Thank you, Mr. Beck. And I gave a little license there, but I'm going to try to --

Chip Beck: And if you agree with me, I ask that you withdraw your willingness to speak tonight. You know, just say, I'm not going to speak tonight. There's no sense keeping us here for four hours.

[Time: 01:50:04]

Mayor Lane: Very good. I'm sorry. Even though I appreciate that sentiment entirely, it's still. But thank you Mr. Beck, again. Even for that last element. Next would be Eileen Berens.

[ Off microphone comment ]

Mayor Lane: Okay. If we can get here. I will say the next person is Ann -- I believe it's Avni Nigam

Eileen Berens: I'm Eileen Berens, 103 138<sup>th</sup> life, Matt Beren's wife and partner in law. I want to say thank you for everybody for working with us to try to make this better and I wanted to encourage and urge and request that the council think in terms of adopting an ordinance in the future so that there's some regulation in the health and the safety codes of the city to take care of situations like this one. Thank you.

[Time: 01:51:24]

Mayor Lane: Thank you, Eileen -- Ms. Barrens. Avni Nigam as I said and then Susie Alofts.

Inaudible: I will pass.

Mayor Lane: Okay. Thank you. Okay. Who is who here?

Avni: I'm Avni and.

Nigam: And I'm Lagia.

Mayor Lane: Okay. Very good.

Avni Nigam: Hi my name is Avni Nigam and I'm in sixth grade.

Lagia: And I'm Lagia Manalostus and I'm in sixth grade as well.

Avni and Lagia: We are here to talk about why we need this larger building. First of all, being smaller than most, it's hard to get through the hallway where the bigger kids are always pushing us out of the way but with the new building, we will have larger hallways and the upper school will have all the classes upstairs while the lower schoolers have their classes downstairs. The new school will have new up-to-date license labs and full-sized gymnasium for the activities that require the space. Also, we will be able to have a courtyard and a bigger parking lot for teachers, parents and communities. And teachers will have their own rooms.

Yesterday morning I woke up very early to see the lot and I noticed how far apart houses were and how big the lot was. So I honestly don't see the problem and why we can't build our school here! BASIS can help me achieve my life's goals but without the resources I won't be able to do that. Building this new larger school will help me and many other students become successful individuals. The homeowner association should let us build the school for educating the children of the greater good. Thank you for your time and consideration.

Mayor Lane: Thank you, ladies.

Mayor Lane: Since we general give some allowance for the girl scouts and the boy scouts, we will let that one go. But I hope you understand that the rules are meant to sort of control the environment. So, please. Thank you, ladies. Next is Kate Conway. Followed by Jacob wells.

[Time: 01:53:08]

Kate Conway: Thanks, I will also try to keep it brief. My name is Kate Conway. I live at 10381 East Pine Valley drive in Scottsdale. Mayor, Vice Mayor, members of the council, in preparing to speak today, I looked into your biographies, actually being on your website and found that you are all very qualified individuals to lead our city. And I want to thank you for your service. I actually -- I found that the Arizona Republic, this past August published the salaries of all of the Mayors and city councilmembers in the Phoenix area, and you have the lowest salaries, as it turns out. And so I'm assuming as an educator who is a person who for many years wasn't well compensated for my work, that you are here for a reason. And I'm going to assume that that reason is because you care about the future of the Scottsdale. Am I have right? Good. Well, today is your lucky day. Because this is an opportunity to support BASIS Scottsdale's planned expansion of the second best school in the nation.

In 2003, my son Logan won the lottery. In 2015 August, they announced that 7,000 children were on the wait list for this year at BASIS Scottsdale but he was one of 120 children who were allowed to enter BASIS Scottsdale in 2013 and my daughter Lily soon followed and the fact is that when BASIS Scottsdale opened in 2003, the city of Scottsdale also won the lottery. Because they have given you the opportunity to market Scottsdale in a new and exciting way and I hope you will support BASIS Scottsdale by allowing the easement today. Thank you.

Mayor Lane: Please, I really would appreciate if we could refrain from that. We want to keep

everyone's thoughts and thinking in mind when we exhibit that kind of enthusiasm. So anyway, Jacob Wells followed by Matt Barrens.

[Time: 01:55:39]

Jacob Wells: Good evening, everyone. I want to thank everyone for coming, including allowing me to speak. So I want to thank the councilmembers today. What I want to talk about is the administration at BASIS Scottsdale. So we all know that students have access to an amazing education provided by amazing teachers at BASIS. But what sometimes is not recognized as often is what the administrators and the staff do at the school for the children. I want to take a second to talk to you about the one word that I would use to describe the BASIS staff and administration, and that would be trustworthiness. Safety is a priority for all of us, for parents, students, teachers, members of the community and beyond and I personally vouch for every member of the BASIS administration and staff to be able to provide a safe and welcoming education for the kids at BASIS. They do so much every day for all of kids and I could go on and on about how amazing these students are.

Mayor Lane: I'm sorry, Mr. wells but the time is up and I would appreciate if you could please wrap it up.

Jacob Wells: Just a second. Okay. What I'm trying to say here is that there's plenty of evidence to show that there's tons of support for BASIS and the administration. You can take a look around and look at the, what did we a 450 people in attendance and it's the perfect example of the support for the BASIS community and the administration and I think they are completely trustworthy to follow all safety precautions. Thank you. Sorry for going over.

Mayor Lane: Please, I would really ask. This is not theater. We are trying to proceed with some order and discretion. So next is Matt Berens.

[Time: 01:57:47]

Matt Berens: Mayor, members of council, I'm Matt Berens. I live at 10301 North 128<sup>th</sup> Street. I'm Chip's next door neighbor. I have participated with the Community Safety Advocates group, and the group has worked very hard on this and they represent 100 plus people in the area. The challenges presented by the site were numerous. We think the development agreement that will be approved and subject to its approval, helps to mitigate a lot of those problems and so we have withdrawn our objection to the abandonments and to the site as it's going forward with that. I want to thank specifically -- well, all the members of the council would have spent an extraordinary amount of time on this mar matter to help bring about a better conclusion than would have amounted otherwise and I do appreciate that time and the availability that you have presented. Thank you. We will look forward to the passage of these items. Thank you.

Mayor Lane: Thank you, Mr. Berens. Next is Vishesh Amin, followed by Michelle Clark.

[Time: 01:59:01]

Dr. Omar Amin: I live in neighborhood also and I am a doctor, and I do know from experience that a transplanted organ into an inhospitality body calls for immune and other problems. This is a metaphor for what we are going through right now. We like BASIS. We have no problem with it, but it is an organ that's artificial into this inhospitable environment and it reminds me of the code, who once says physicians bury their mistakes, but architects hide their mistakes with trees. And that's what you are doing here.

Mayor Lane: Thank you, Mr. Amin. Michelle Clark.

[Time: 02:00:24]

Vishesh Amin: No, I'm Vishesh.

Mayor Lane: Oh, I'm sorry.

Vishesh Amin: I'm Vishesh.

Mayor Lane: Who was that gentlemen there? Okay. Pardon me.

Vishesh Amin: For the sake of time today, I'm just going to be addressing the concern that the district has. As we know we need the full support of the Scottsdale school district and this speech is meant to ease the concerns associated with the district. The Scottsdale school district likes to make the claim that the new BASIS will steal public school students however, according to a study done by the United States Department of Education, when advanced charter schools are bill, such as BASIS, state legislators are marked into competitiveness, there are three big impacts from this, first public schools are forced to develop better education options for students near these more advanced schools. Children who can't necessarily compete in the charter system will have a chance to get an advanced education at a public school. This is supported by the institution for public rights that public schools saw a net increase in their education levels after the number of local charter schools increased. This improves the net education level of Arizona who is in the bottom ten of education standards statewide. Second public schools are forced to pay more attention to each individual student. The article finds that in order to keep track of students shifting public schools are forced to account for each and every student in public school and, in fact are incentivized to improve schools to retain students. And when new public schools are built around charter schools accessibility for students who don't want to participate in charter systems actually increases.

Mayor Lane: Mr. Amin, if could you, we are out of time.

Vishesh Amin: Right.

Mayor Lane: I would appreciate if you could wrap up.

Vishesh Amin: This is no longer a battle but a full out war composed parents, teachers, students and staff versus a coalition of 50 neighbors. Together with your vote, we can set new bounds for education in Arizona and show the rest of the country that Arizona is not afraid to tackle education.

Mayor Lane: Now I'm going to -- [ Gavel ] I'm going to ask one final time. Truly, there are two sides to this and there are people who have strong feelings one way or the other. So applauding or booing is not something that's acceptable in here. Now, I have tried to give some allowance and I understand the sentiments are strong. This is not theater this is a city hall Kiva. Thank you very much if you could please adhere to that.

And now do I have Michele Clark?

[Time: 02:03:08]

Michelle Clark: Yes, I'm Michelle Clark. Good evening Mayor Lane and councilmembers, I'm indeed Michele Clark. I would like to begin by thanking the Mayor, the Council, the city staff, the planning and the zoning commission and the adjacent neighbors for your perseverance in diligently collaborating to see this matter to a mutually acceptable resolution. I'm a Scottsdale resident, a small business owner and active community volunteer and the mother of four highly motivated school-aged children. Relegated previously to the BASIS wait list, my children attended an accelerated program outside of Scottsdale unified school district already, in P.V. As you can imagine, I reviewed the whole expansion process with great interest and extremely critical eye before agreeing to transfer my children to the new BASIS. I have been so pleased to see that BASIS is dedicated to being a good neighbor, to going above and beyond to address the community's suggestions. I firmly believe that BASIS has applied its widely acknowledged commitment to excellence to the design and the operation of these proposed facilities as well as the management of its anticipated student body. We are excited for the expansion of BASIS Scottsdale and the resulting opportunity to attend a rigorous program just a few minutes from our home. As well as the management proximity that will now be between the elementary and the upper schools. On behalf of your more than 3,000 Scottsdale constituents who make up the BASIS Scottsdale, I would like to encourage passage of the petition at 128<sup>th</sup> and Shea. I speak for all the BASIS community. We look forward to expanding this cornerstone of educational excellence and dedicating our honest commitment to becoming cherished members of this vibrant neighborhood.

Mayor Lane: Michele, please.

Michelle Clark: I'm done.

Mayor Lane: Dr. Omar Amin, followed by Ellic Ghazi. And I would remind everyone it is one minute. I would very much appreciate it. We have at least probably a couple hours here. Was that Dr. Omar? All right. Very good. So it's Ellic Ghazi followed by Thomas Miller-Culler.

Okay if Ellic is not here, I will move to Thomas. Okay. I would ask that Thomas Miller-Culler be standing by.

[Time: 02:05:50]

Ellic Ghazi: Greetings to my fellow citizens of Scottsdale, my name is Ellic Ghazi and I'm a current BASIS -- a fifth grade BASIS student. I'm here to thank the neighbors for allowing us to build this wonderful school. The students for being wonderful people, and the teachers for giving us an amazing education. And I am a proud representative of BASIS Scottsdale. Go bulldogs! I'm finished.

Mayor Lane: Thank you very much. Do we have Thomas Miller-Culler?

[Time: 02:06:33]

Thomas Miller-Culler: Hello. I'm Thomas Miller-Culler, I'm a sixth grade student at BASIS Scottsdale. I believe that the building should be built because children need this education. There are many people that may be brilliant people but have not been able to get the education because there's not enough available schools. I believe that this building will allow maybe thousands more people to be able to -- to be a great -- a great person in history and then people will be able to succeed in this great school.

Mayor Lane: Thank you, Mr. Culler. Next, I would ask for Peter Bezanson.

[Time: 02:07:46]

Peter Bezanson: Mayor Lane, Vice Mayor Smith, Councilmembers, I may go a little over one minute but I promise to end with an exhortation to tell others to take less time. So that's my deal. My name is Peter Bezanson, and I'm the C.E.O. of BASIS. I'm the company that manages all the BASIS Schools across the world and is responsible for executing the BASIS board's vision to expand our charter schools. Next year we will have more than 17,000 students in BASIS schools from Brooklyn to D.C. to Texas to Arizona, to California, and now also in China. But the BASIS is now international in scope, both our headquarters and our top performing school is here in Scottsdale.

On behalf of BASIS Ed and Craig Barrett, the president of the BASIS school's nonprofit, I wish to thank you for your consideration of this agenda item and urge you to vote yes. My team and I have taken the last two weeks after you wisely granted us a continuance to refine the site and traffic plan as you have seen. We have worked closely with city staff, with city leadership, and most importantly with key leaders from the neighborhood to create a new plan which I believe is a win/win for all involved. While we believe the original plan was both safe and respectful of the neighbors and their concerns, I believe that the revised plan is safer still, better for the BASIS families and better for the neighborhood.

In short, I believe that this new plan and the development agreement represents a series of important compromises and the interests of the broader Scottsdale community. It's important to note that the new agreement represents a nontrivial increase in expense for BASIS Scottsdale. Both up front project costs and ongoing costs, but we are willing to commit these additional resources in order to

better serve the community, and this brings me to my last point.

BASIS is proud to be in Scottsdale and we know that Scottsdale is proud to have us. We feel the community appreciation each day, and we are so honored by that support. BASIS Scottsdale is the top charter school in the nation, and I cannot tell you how important this new facility is, not only to the families who do or will attend BASIS Scottsdale but to the whole Scottsdale community. The finest school in the nation deserves this new home, and I appreciate your support in making it a reality. Thanks for your consideration and again, I urge you to vote yes on this item.

And I urge the hundreds of BASIS supporters who are here and signed up as speakers to be respectful, to be positive, and since there are a lot of BASIS children who need to go home to get ready to study for -- or to study and prepare for a P. examinations and the like to be brief or better yet, when you are called, simply stand up and say you support the project and sit back down. Thank you very much.

[Time: 02:10:52]

Mayor Lane: Thank you. Next is Spencer Claus. Followed by T.J. Preacher -- Peacher.

Spencer Claus: My name is Spencer Claus and I live at 11811 North 76<sup>th</sup> Place in Scottsdale. BASIS Scottsdale students out performs every country in math, reading and writing. BASIS Scottsdale is the number one charter school in the nation and the 2015 graduating class of seniors at BASIS Scottsdale took a total of 2,643 A.P. tests, averaging at a score of 3.92. But it seems almost pointless to stand off and rattle off the accomplishments of BASIS Scottsdale to you the councilmembers because Scottsdale already knows how fantastic BASIS is. On its pamphlet, reasons to choose Scottsdale, the city names BASIS in the top three reasons for why prospective residents should choose Scottsdale over other possible destinations. BASIS Scottsdale namely its students and teachers have worked endlessly and tirelessly to achieve our accomplishments, as have the neighbors. As one neighbor said that they were willing to spend up to six figures to stop this from moving forward. They hired lawyers. They hired traffic engineers and they protested. They spouted arguments and images of postapocalyptic images.

Mayor Lane: Mr. Claus, if you, would the time has expired.

Spencer Claus: I'm almost done.

Mayor Lane: Well, just a few seconds.

Spencer Claus: I'm wrapping it up. I think it's time that all of us stop playing games. BASIS has spent time and money refuting the neighbor's purported safety concerns. Safety's own traffic engineer has repeatedly refuted these claims. Why is it such a big issue? The neighbors on 128<sup>th</sup> Street and Shea like things the way they are. They like their neighborhood. Apparently they also like the color of their neighborhood.

Mayor Lane: Thank you, Mr. Claus. Your time is up. I'm sorry. Thank you, though. T.J.



Peacher.

Inaudible: I support the plan.

Mayor Lane: Thank you. Theodore Collins.

[ off microphone comment ]

Mayor Lane: Thank you. I believe this says Adita.

[ off microphone comment ]

Mayor Lane: If you can please stand up and recognize yourself, I would very much appreciate that too. Amy Rabish.

[ Off microphone comment ]

Mayor Lane: Thank you. Stephanie Sims.

[ Off microphone comment ]

Mayor Lane: Elizabeth has got some donated time here, an additional card. So I will give a couple of minutes but it's Elizabeth McConaughey.

[ Off microphone comment ]

Mayor Lane: Very good. Thank you, Elizabeth. Shane Varnhelm. Asher Mold.

[ Off microphone comment ]

Mayor Lane: Supports the plan thank you. Sherry Washington with some donated time from Sheila Mitchell. With the time, I will give you a couple of minutes.

[Time: 02:14:16]

Sherry Washington: Good evening Mayor Lane, Vice Mayor, and City Councilmembers. I have attended every public meeting regarding this BASIS proposal site. I have watched several educated engineers configure and reconfigure basis' design plans several times squeezing in as many cars as humanly possible into one small parking lot queue. Not once have I heard with the same vigor the engineers discuss how students will walk safely or bike safely across six lanes of traffic, two turn lanes, and two turn lanes on busy Shea Boulevard. Not once have I heard the same engineers discuss how adding a third traffic signal on Shea Boulevard within three-quarters of a mile of each other will negatively impact the flow of morning traffic on Shea Boulevard. No engineering degree is needed to realize the traffic flow on Shea Boulevard will be impacted. Not once has vigorous discussions been

given to the 260 families existing in the -- in the existing neighborhood whose children do not attend BASIS. How will they be impacted? Only answer given thus far is minimal. My son A.J. walks to school -- to his school bus stop every morning on narrow streets and no sidewalks with a tremendous increase in neighborhood traffic from both BASIS and traffic avoiding 128<sup>th</sup> Street. To me, my son's safety is not minimal. When my neighbor's safety is impacted by walking their dogs in the morning, or our neighborhood cyclists or 42,000 commuters on Shea Boulevard having a longer commute to work or school, to me that is not minimal.

Our neighborhood is not designed to accommodate a school this size. Almost all of the streets have no outlets. Many residents who live in this small neighborhood have spent months and some even years searching for their optimal home sites. And too have invested millions into their properties. To act as if this neighborhood of families living on 128<sup>th</sup> Street and the surrounding streets do not exist or that a large number of drivers on Shea Boulevard will not be negatively affected by this decision is not the solution. Our concerns are not frivolous or less valid because it is fewer of us. We do exist and we love our neighborhood, just as much as BASIS loves their school.

No student hand book --

Mayor Lane: Ms. Washington, the time has expired. Please wrap it up.

Sherry Washington: Okay. I want to say, I heard the plans proposed here today and a lot of what is proposed is what was already proposed. If BASIS is guaranteeing that they will not drive through our neighborhoods and endanger our children, then I am fine with that. My only concern is if they do not abide by what they agree to in their development plan, if they say we don't have the money to do this, they are not going to be held accountable.

Mayor Lane: Ms. Washington please.

Sherry Washington: Okay. Okay. Thank you. But I respectfully ask that the city vote no approve the abandonment of this easement and I also have over 500 petitioners who signed this -- who signed petitions disapproving the site.

Mayor Lane: Thank you. Thank you, Ms. Washington. Cheryl Youngsworth, followed by Patrick O'Meara.

[Time: 02:18:08]

[ off microphone comment ]

Cheryl Youngsworth: The area near BASIS, the proposed BASIS site and I do support the building of the school. Thank you.

[Time: 02:18:27]

Mayor Lane: Thank you, Ms. Youngworth. And Patrick O'Meara. Followed by Vanessa Jones.

Patrick O'Meara: Thank you very much for your time, Mayor Lane, councilmen and women. I will keep it brief. I live here. My little girl and my wife live here. We are the neighbors who have been working for the last two months to come up with a solution. I want to really thank all the councilmembers and your time to put this together. If it wasn't for you, we would have had a plan from two months ago where they would be doing u-turns on Shea. And then the light came and everything else started to fall into place. A lot of BASIS parents, we support you. I'm the one that's in commercial real estate development. I support charter schools. I bring equity into the city of Scottsdale. However, without your help, I want to thank you very much, we would not have had the plan we have today. Thank you.

Mayor Lane: Thank you Mr. O'Meara. Followed by Vanessa Jones next. Then followed by Kurt -- I believe, it's true.

[Time: 02:19:31]

Vanessa Jones: Hi. I have been a student at BASIS Scottsdale since I was 10 and I plan to graduate there. Each year I have been introduced to new classes that encouraged my interest and expanded my mind and each year I watched the same happen to my peers. The uniquely rigorous curriculum at BASIS is not the only reason for our growth. Really what it is, we have great teachers. You know, I wouldn't count on both hands how many teachers I had in the past five years who have shown me each in their own way what it means to love learning. I also couldn't cart how many of them cart their material through our tiny hallways because the building doesn't have the space to meet our needs. The drama department doesn't have a theater or even a stage. We have a classroom. Our science department doesn't have labs. It has classrooms with sinks in the back and yet we perform, we experiment and we learn and we grow. We hardly have the space to do what we do and yet we do it. So far it's gotten us the title of the number two school in the country. So please let us continue to grow. Let us build a facility that will allow us to express to, veg, to question and to answer -- investigate, to question and to answer. Let us represent to the rest of the nation what Scottsdale has to offer. Thank you.

Mayor Lane: Thank you, Ms. Jones. Next is Kurt shrew I believe it is, and followed by Abby Marcolini.

[ Off microphone comment ]

Mayor Lane: I'm sorry, in support of the project? Just withdrew?

[ off microphone comment ]

Mayor Lane: Very good. Thank you, sir. So do I have Abby?

[Time: 02:21:29]

Abby Marcolini: Hi, everyone, my name is Abby Marcolini I'm a sophomore at BASIS Scottsdale and I had something I was going to say and pull out my favorite Bible quote and after hearing all the testimonials from all the other neighbors, the councilmembers and even some of the staff at BASIS itself, I'm really happy to see that we finally have an agreement and I really hope you choose to support our project. Thank you very much.

[Time: 02:22:00]

Mayor Lane: Thank you Abby. Next is Jamie Blakeman and has donated time by two people.

[ Off microphone comment ]

Mayor Lane: Well, we can either do it with this extra time, but this will give you -- you said about five minutes. If you want to do that.

Jamie Blakeman: Sorry, I will wait until my presentation gets booted up. It should have a folder. Okay. Thank you. Mayor and Councilman, I just wanted to run through some of the traffic things. So I know we all talked about some improvements. Everyone talked about how we came together and we have changed the site plan. I just want to go through that a little bit here.

We have added that additional driveway. They are on Shea Boulevard. It is a right in access only, which means would you have to be coming from the eastbound direction in order to access that right turn. This is all the improvements that I will talk about is in addition to improvements that have already been made. We have not taken away any improvements at all.

So here is this little red-dotted area is where I will zoom in on the next screen but I want to note that everything to the south of that is the same. So here in this area, I just wanted to go into how this works. So eastbound traffic is going to make a right turn. They will then continue the through the parking lot, where they will be allowed two queue lanes. They will then make a u turn and they have their own designated lane and they will be able to meet up with those using the other access to the south.

And then now I highlight those coming from the south. That's in blue this provides an additional 756 feet of on-site queue storage. We needed 2,300 is what we think we need. So we are now at a maximum of 4,482 on-site queue storage, which is nearly double of what we anticipate needing. This has been incorporated at the request of neighbors and has been approved and gone through the city of Scottsdale and BASIS as well. I wanted to just run through this.

I don't know how to go backward. I missed the ingress simulation and this egress is showing how things work. I don't have that new right turn off of Shea simulated here but basically we don't have any traffic concerns from right turn bays to storages, to anything I know we have vetted this through in a lot of different meetings but this is how the egress works. If you notice, the cars start to queue up because they arrive before kids get out of school and then once kids start living, they start getting

picked up and things start moving. So I don't know if you want me to run the ingress but it's several clicks backwards. Here's a 30 second ingress if you want to go back one. I don't know how to do that. That's all of my presentation. I don't know why it's not moving. Sorry.

Mayor Lane: You were talking about the ingress. That graphic is without --

Jamie Blakeman: It is without. So with the addition of the improvements that I just discussed, it would only -- it would further release the impact that this is to Shea and 128<sup>th</sup>, you know the right turning vehicles. There would be less impact and some would move on to this additional driveway. It goes to show you that it's without it being modeled. We are in a better situation in terms of the eastbound right turn lane and I wish it showed but sorry.

Mayor Lane: Okay. Thank you, Jamie. Next is Alex Cohen.

[ off microphone comment ]

Mayor Lane: I believe, this is Khan Reinfeld. Oh, I thought that was maybe Khan coming down. Is Khan here? All right. I presume that's a miss.

[Time: 02:27:21]

Mayor Lane: Robert Beck. And Robert Beck has got an additional card so a couple of minutes being Robert. To be followed by Aparna Gupta.

Robert Beck: I just want to thank the council and the residents who live closest to BASIS and the parties involved for coming to an agreement. I feel like I know all the councilmembers and Mayor and Vice Mayor, I have inundated you with information trying to bring you up to date and what I felt were outside interests stirring up trouble who didn't really live in the neighborhood. It's wonderful to see the real residents closest to BASIS come to a good conclusion. I appreciate all of your hard work on that and about the abandonment, 127<sup>th</sup> Street doesn't go anywhere. Even past Cochise, there are houses in the way. There was an abandonment on Gold Dust which is the only major street in that neighborhood, east to west and there's a house there. How that abandonment ever got passed, I'm amazed. So the one at 127<sup>th</sup> is very easy. I thank you for all of your trouble and I hope you can vote in favor of BASIS. It's a wonderful place and builds wonderful children.

Mayor Lane: Thank you, Mr. Beck. I believe this is Aparna Gupta. Is that pretty close?

[Time: 02:28:57]

Aparna Gupta: Mayor, city council, I will just say support and walk away. I want to use this opportunity for dedicating September 8<sup>th</sup> as Amita Gupta day, who attended BASIS Scottsdale. She was there for eight years. I would like you all to know that I would urge you to support and let the school expand. She was -- she pursued on to do bigger and better things and they ensured her safety, whether it was teachers sitting with her until 6 p.m., 6:30 p.m. So I won't be long winded and

I will just say please support the expansion of the school and I promise you, they will ensure the safety of our children.

Mayor Lane: Thank you, Ms. Gupta. Sharon Adora. Sharon has some additional cards.

[ Off microphone comment ]

Mayor Lane: And very good. For the record, that was Sharon Medora and she supports it. I'm sorry, your position is –

[ Off microphone comment ]

Mayor Lane: Okay. BASIS Scottsdale boosters. Okay. Thank you very much, Sharon.

[Time: 02:30:39]

Mayor Lane: George Ertel. Followed by Hui Xiao.

George Ertel: My name -- my name is George Ertel, I live between the existing BASIS school and Desert Mountain, and I've got to say it does increase congestion. It makes it a little bit more hazardous to pull out on to the street but I say to that, so what? Because BASIS is such a great school, it adds so much to Scottsdale. You know, when people said are you here to support BASIS. I'm not here to support BASIS, but to support Scottsdale. BASIS is good for Scottsdale. The argument is it number one or two in the country. It's one of those. And it certainly adds to the value of the property. It adds to the attractiveness of Scottsdale. I urge you to support the abandonment and the development plan. Thank you.

Mayor Lane: Thank you, Mr. Ertel. Ms. Xiao.

Hui Xaio: Thank you Mayor, Vice Mayor. My name is Hui Xaio, I have been a residence of Scottsdale for 18 years. I have three kids attending BASIS, and I migrated from China to this great nation. Through this process, I experienced a great structure and the process for this important thing impacting labors and the students. So I'm really moved by the -- working together between the neighborhood and the school and we make a lot of cooperation and I think this that this is the way to go. I'm proud to be American and I want to thank the neighbors for your support. And also finally, I want to say is I know you -- you guys are elected by us. I know three of you were subject to reelection. I will vote for you and I will ask my friends to vote you. Thank you.

Mayor Lane: Thank you, Ms. Xaio. Next is Kim Frankel, followed by Dr. Royce.

[ off microphone comment ]

Mayor Lane: Thank you, Ms. Frankel, in support.

[ Off microphone comment ]

Mayor Lane: Dr. Royce in support and passing further comment. Thank you both. Eileen Sigmund.

[Time: 02:33:33]

Eileen Sigmund: Good evening, Mr. Mayor and members of the council, my name is Eileen Sigman I'm president and C.E.O. of Arizona Charter Schools Association. I'm here to support BASIS. In this school year, BASIS is Arizona's largest charter network in Arizona and it tops, as you have heard, many of the nation's list for our highest performing public schools. I thank you in advance for supporting the expansion of one of the American's premier public schools in Scottsdale. Many cities in the national work that I do, are vying for BASIS to expand in their city. And as community leaders and as the political leaders of Scottsdale, we all recognize how this gem of a public school can attract businesses and professionals. For example, one of my family members was recently part of a crew in a Mayo clinic surgery and he was surprised to hear nationally renowned surgeons discussing how impressed they were with BASIS Schools. By supporting this vote in advance as I'm requesting that you support the vote, you will allow more dollars into the classroom and fewer dollars to bond investors. When bond investors see a shaky political environment, they get nervous and the cost to borrow dollars will reflect this nervousness by higher rates. By keeping the facility out of any particular warfare, it can then go to student learning. In sum, I guess a vote for BASIS tonight allows more dollars in the classroom and continues to make Scottsdale attractive for businesses.

[Time: 02:35:37]

Mayor Lane: Thank you. Linda Brown, followed by Sally Krieg.

Linda Brown: Mayor, Vice Mayor and council. Our group Citizen Safety are giving you some booklets with the continuance two weeks ago, thank you so much. We did due diligence to the best of our ability as citizens in your city and I'm speaking to speak right now to tab number 4. We are convinced as a group that the city would be exposed itself to liability because of the preparation work, mostly through this traffic study, which has been flawed and rushed and now even within the last few hours we have a new plan. Our group was not invited. I would like to see that memo that we were invited to last Friday's meeting. We actually walked right past two people going to the meeting. We were not invited. But if you have that evidence, we would love to see that.

When I look further into the situation, we realize that lawsuits against the city would potentially cost us, the resident higher taxes in both settlement sums and higher insurance premiums. We are acting right now to preserve our rights as a resident of Scottsdale and preclude costly and embarrassing litigation. The average jury award right now in Arizona of personal injury is \$820,486.

Now, tonight we want to give special thanks to the Scottsdale police department and also to the fire department in a study that we picked up, which has not been talked about at all, with this group. The police department provided that for us. And that's what this chart is all about. We have

evidence right here that the schools on Via Linda are proven to be safe schools for all citizens. There are zero fatalities. There are zero incapacitating injuries. 78% of the traffic accidents are from the five entrances to the regional district schools that are right there at that site, desert mountain and mountainside middle school. But, again, there's 50% less accidents on Via Linda, where there's a 50-mile-per-hour speed zone as well as 78% of that high school, middle school traffic is creating the accidents. All right? But, again, we like that. It proves that monitoring speed is effective.

Mayor Lane: Ms. Brown, I will ask you to wrap it up, though, please. We have run out of time, even with the extra time. Did you understand.

Linda Brown: Yes, sir, I do understand. And I will have my moment. Thank you so much. I know that you have given leeway to others. I do appreciate it.

Mayor Lane: And I have given you -- at the last D.R.B. I have given you some leeway. It was beyond the time that was allotted.

Linda Brown: Please review my second slide. There have been three fatalities at this high speed zone and 20 incapacitating injuries. This is being ignored. What is the BASIS standard for school site selection. We have yet to be told what is the standard of the city of Scottsdale. Are three deaths acceptable? One death is too many.

[Time: 02:39:29]

Mayor Lane: Thank you Ms. Brown.

Linda Brown: Thank you.

Mayor Lane: Next is Sally Krieg followed by Richard Thomas.

Sally Krieg: I want to follow up on what Ms. Brown just said. There have been three fatalities in this area. When asked in a neighborhood meeting about that, the BASIS attorney said, well, that's only three. To me, that's -- when ADOT is now currently running a zero fatality campaign and goal, that is a statement that just is not acceptable. And nor is it an acceptable number of fatalities to place a school next to. This is a high-speed thoroughfare. I'm a parent of a child who has been hit on this street coming home from school, doing nothing wrong but being stopped at a stop light. There are dangers here and this school and this population of the school is not going to help in any way alleviate any of those dangers. I talked with a Phoenix police officer in the traffic division -- the school traffic division. His comments on the -- I asked him about BASIS Schools and his comment was, drop off and pickup are mass chaos. Are you ready for mass chaos on Shea Boulevard? None of the impact said that traffic flowed well or things got better. The words used were horrific, nightmare, always a problem and the city is trying to fix. So you are just asking for all of these problems. I support BASIS as a school. This is just the wrong site to put children and citizens at risk on a daily BASIS. Thank you.



[Time: 02:41:27]

Mayor Lane: Thank you, Ms. Krieg. Next is Richard Thomas followed by Patty Thomas.

Richard Thomas: Thank you, I live 20 feet from the proposed site, of BASIS. I'm Richard Thomas. And I think we need to be real here. Everybody is saying how great BASIS is, and how they embrace the community. It wasn't until this was six failed site plans that we have some kind of agreement. And it wasn't until they asked for a continuance two weeks ago, knowing that they were probably going to lose the vote on the development plan, that we have some sort of agreement. Unfortunately, it's an agreement for convenience. Creating the additional access, reduces some traffic flow around the school, absolutely. Putting trees up makes it look nicer and less problematic to the eye. But the real issue here is the safety. I adored those two little girls who came up and spoke. They are precious. I teach Sunday school for 4<sup>th</sup> and 5<sup>th</sup> grade children. What I can't get out of my head is the image of a 5<sup>th</sup> grader trying to cross six lanes of traffic on Shea. Even if it's stopped with a light, we all know the situation that occurs. You can't see the child in front of the car. Some guy is barreling along texting... and we have lost a life. That hasn't been addressed by anybody here. Nobody has addressed that. And BASIS, you can sing your song of how great your school is -- and it is -- to the parents of that child in the first fatality, it won't make a bit of difference. That's not been addressed. Safety is still an issue. And I can't support this until that's resolved.

[Time: 02:43:24]

Mayor Lane: Thank you Mr. Thomas. Patti Thomas, followed by Tim Hearst.

Patti Thomas: Hi, I'm Patti Thomas and this is really uncomfortable me to get up and speak, but feel it is really important. I'm so for education and I think BASIS is a wonderful school, and some of the kids that have spoken, I agree are just adorable and they are very intelligent and well-behaved children. This is not about BASIS. We have -- long before we knew BASIS was coming into the neighborhood, we had already started to build a new home. When this came in we weren't going to be this but yet we had such a concern for the traffic that when the neighbors came to us and asked to donate money for attorneys and traffic investigators or whatever they are called, we got on board and not because it was going to impact us. We are moving in a few months, it's not going to impact us, but this is my house. It's the closest house to BASIS. I know some people say they are the closest. It's the closest house to BASIS. I'm not concerned. My views do not face BASIS. My views face south. I'm not going to be looking at the school. I have to think the school will bring people to the neighborhood but I am concerned that there's going to be children crossing six lanes of traffic from the north side of Shea to south side. I know a lot of parents will drive their kids and that won't be a problem but for kids that are going to be walking three days -- or three months out of the year where it's dark, it is a concern. I have worked 34 years in the school district as a volunteer, my daughter is the president of the Fountain Hills school board. Education is huge for me, but also is safety. And this is not about my value or my view. This is about children crossing that street. Thank you.

Mayor Lane: Thank you, Ms. Thomas. Next Tim Hearst followed Gary Eastwood.

[ Off microphone comment ]

Mayor Lane: Mr. Hearst is in support of BASIS School. Gary Eastwood, who has is donated time.

[ Off microphone comment ]

Mayor Lane: Okay. So essentially opposed to BASIS Scottsdale but donating your time to Tim Heinemann? Okay.

[Time: 02:46:11]

Mayor Lane: Next is Glen Hamer.

Glen Hamer: Thank you, Mr. Mayor and members of council, I'm the president and C.E.O. of the Arizona Chamber of Commerce, there's a reason why I'm here in my capacity. Here we have in the city of Scottsdale the Intel or the apple of educational systems. These are systems that are now expanding not just all over the country but all over the world. This is the very best school system in the country. I'm also the proud parent of two girls who go to BASIS. So in terms of safety, all I can tell you is that the current site has been very safe. The administration of BASIS takes safety extremely seriously, and I -- I am positive there's not a parent here who would send their kid to a school where their safety would be compromised. We have a jewel of a system here. We should be embracing this. I urge you to support this plan. Thank you for bringing the sides to go.

Mayor Lane: Thank you, Mr. Hammer.

[Time: 02:47:29]

Mayor Lane: Mr. Tim Heinemann and it's with Gary Eastwood's additional cards, there's a total of 18 additional cards. Mr. Heinemann, how much time do you think you need?

Tim Heinemann: So I just request a chance just to read this summary on behalf of the citizens that we represent. It will be --

Mayor Lane: It's a consolidation.

Tim Heinemann: It will be under ten minutes.

Mayor Lane: Ten minutes.

Tim Heinemann: Mayor Lane on behalf of the citizens who asked you by email, I request that you recuse yourself for the reasons at the stated. I make the same request. For Councilman Phillips, I request that after I'm finished that you ask the rose law group if they represented to BASIS owners their compromise as being with the citizens group that actually represents a majority or at least a fair share of citizens or residents. My phone conversation and email with Michael Block, one of the

owners of BASIS, just before this meeting, suggested he may not be fully aware of the veracity and the validity of this compromise. I further request, Councilman Phillips that you ask the Community Safety Advocates the group in question in the compromise exactly how many citizens have actually attended their meetings. And, in fact, have actually voted on the compromise. The conversation with the group yesterday confirmed their admission that the group that I represent, Citizen Safety Group is considerably larger which brings the validity of the compromise into question.

As some of you know, Citizen Safety Group has raised a transparent fact finding effort engaging any and all in the interest of public safety. This is, indeed been a lesson in physics and civics and psychological warfare. We held a silent vigil even as BASIS children and parents as we tried to honor three people who perished on Shea. It was an unsettling finish for those who are trying to support the goal of zero fatalities. The BASIS children are innocent of this and had no idea what was going on.

The process by BASIS in this city in this regard have been conspicuously by lack of care and refusal to expose and explain the actual school safe site and guidelines that will protect these children, that led to 128<sup>th</sup> and Shea being purchased. It's all about a safe site. Reality here is that you don't build a school next to a 50-mile-per-hour high-speed corridor. The only question that matters or the two questions that matter in this room today are these: Would give the tacit green light to BASIS to go and proceed the property after they were told -- or at least they said they were told by the city not to buy a site over on cactus street? And then who then followed those orders to make it happen and is still doing so?

Because our group has been running a whistle-blower's campaign, we have been privy to a windfall of testimony, evidence and allegation of malfeasance and dereliction of duty both individually and organizationally. We ask to bring those who are unaccountable to full accountability. All organizations concerned in this chamber would be very surprised at the courage and the variety of the informative who risked much to share their offerings if these allegations are found to be true. If so, we will make sure their risk is very well and very precious spent.

In height of the near total disregard for safe citing principles at national and Arizona State level, as we have openly shared and now submit for record in our binder that we gave to you, we propose that the matter before us all poses a much greater danger to the city and to its people than traffic safety alone. And this is that the people themselves find themselves totally enabled to protect themselves against of the irrevocable immunity of BASIS and its chosen school site. This condition of vulnerability and the city's absolute impotence in the face of it, lay bear of violation the primary function of government itself. Violating the well meaning of the general public. This is a violation of the preamble of the constitution of United States. Closer to home it violates Article 2 of the Arizona constitution which specifically prohibits laws that grant irrevocable immunity. Immunity that BASIS now enjoys.

The repeated assertions of the members of this very council before me, that we can do nothing, our hands are tied, BASIS can do what they want, has the force of law that no citizen in this chamber and in this community can legally oppose or contend with. It is therefore suggested that this city stand up for governance by challenging a law that protects basis' lawful immunity that has taken a dark turn

towards impunity.

Our Citizen Safety Group has worked with a network of lawyers and advisors from the Department of Defense to ex-military lawyers to constitutional law groups, to West Coast law group presently in a similar fight as are we. And in this, we have been well served. We have uncovered seven arguments backed by Arizona case law which may prove convenient to organizations in terms of their accountability and potential liability. Councilmembers got a snapshot of but three of these yesterday, but we now better of sharing all seven precedents that we intended to share with you and everyone in this chamber. We will reserve those for later.

So where does this leave us? It leaves our group right on plan because we operate with full transparency. At least BASIS, forever marking the virtues of an absolutely tortured school site that puts its own children at risk and that will only get worse over time and it will get worse over time because the transportation office did not deem it appropriate to project future traffic volume growth on Shea Boulevard. That is unconscionable. It leaves those vulnerable to -- to exposure they don't want. They don't want it now and they will be even more vulnerable when a child dies crossing Shea. It leaves this council with a choice between twin evils. It will leave those who compromise for a few fees, pork chop from BASIS, wondering later if their compromise was worth a cost much more priceless than they may now fear. Finally, it leaves children and citizens who trust good governance and goodwill. It leaves them at risk, and that risk is preventable here and now.

Our suggestion is to now transcend this dilemma shared by us all to provide BASIS and other school children safe route to and from school by an unquestionable standard of care, a standard of care that Scottsdale can, indeed be proud of. We have a citizens group willing to entertain basis' price for the sale of the site at 128<sup>th</sup> and Shea. 12 and growing in number. A Realtor group has sites that are much safer than 128<sup>th</sup> and Shea and in some cases more expandable for BASIS population. The city might aid in this approach by facilitating and fast tracking the approval process in a manner that citizens have already witnessed by law these past few months.

Failing this, citizens safety group requests a continuance because this council and the citizens have been presented with limited sets of facts data on the full consequences and enduring costs on the BASIS school site for reasons of the significantly limited physical and temporal scope of the report and the plan. This is something that we already articulated in the ten email updates that we provided to date. They are provided in your binder for record. They have been given to the clerk for record. As a final comment, that continuance would allow the council and the various office of government to do proper due diligence and address the points that we have raised in our binder and before this council -- binder and before this council today.

I will speak on behalf of Albert Letkus who did a peer review of the BASIS traffic report, the traffic study. He's unfortunately home today in Tucson. Mr. Letkus came here and you will find the PowerPoint quotes that we provided also at tab 9, and as you review that, you will find that he contests a significant numbers of flaw in the plan that you may be about to sanction. And that is because this plan is limited in scope, also limited in terms of its consideration of Shea traffic over time. It is our request that you review that with your professional expertise and entertain a continuance of

these proceedings so that when you make a decision that you and the rest of us will live, with then you will have certainty that you have one of the best traffic engineers in the state providing you third party expertise, and oh, by the way, one of the councilman in this chamber specifically asked a way out of the dilemma because both engineer parties, both the BASIS group and the civ advocates wore miles apart. We spent thousands of dollars finding the best person we could find in the state.

Mayor Lane: Your time has expired.

Tim Heinemann: I thank you for your time.

Mayor Lane: Thank you. And during our discussions and deliberations this may be some call to ask you specific questions. After we are finished with public comment. When we go through our deliberations and discussion, you can speak then. Just let's get through this -- the rest of this testimony. Thank you, Mr. Heinemann.

Next is Karen Penesca.

[Off microphone comment]

Mayor Lane: In support or in opposition? Was that in support? Or just --

[Off microphone comment]

Mayor Lane: Okay. Very good. Thank you. Carol Sherer.

[Off microphone comment]

Mayor Lane: Okay. Thank you. Lauren Kelly. Okay. Lauren Kelly. All right. Ardeep Penesar. All right. Thank you. Kim Krieg. Donating it, I'm sorry?

[Off microphone comment]

Mayor Lane: Okay. We had some duplication then. Jenny Hudson.

[Off microphone comment]

Mayor Lane: Okay. All right. Very good. That does complete the testimony. And I want to thank everybody for their cooperation and putting the -- and keeping to the time as best they possibly come I very much appreciate the fact that we have this testimony and we do it in an orderly way because it's very, very important for the conducting of governance here for us as we enter into our deliberates -- in our discussions and deliberations, that we have as much information at hand as we possibly can. So we very much appreciation and we appreciate that it was presented in a civil and appropriate way. Thank you very much. And pardon any of my concerns about losing control over a large body of people here, when we are trying to conduct, you know, the city's business. So I just

want you to know that it's important as presiding officer on this council, that we maintain a decorum and a -- and a process that's reflective of what the sear -- the serious of this nature and the nature of this. So with that, we have completed our public testimony.

And we do have some questions from the council immediately and to whatever direction. We'll start with Councilman Phillips.

[Time: 03:02:36]

Councilmember Phillips: Thank you, Mayor. Since Mr. Heinemann called me out, I would like to ask him if he could clarify what that first question was that he wanted me to ask.

[Off microphone comment]

Councilmember Phillips: Is the Rose Law Group representing the public or BASIS? Is that what you are saying?

[Off microphone comment]

Councilmember Phillips: Do you understand what he's asking for?

Mayor Lane: Well, you know, I will say this, so that we have it on public record, I don't know whether we recorded that for -- do we have that? If you wouldn't mind stepping to the podium and expressing it for the record and then we may, whatever interpretation or otherwise we can follow on.

Tim Heinemann: Did the Rose Law Group represent to the owner of BASIS that the compromise was obtained with an appreciable size, if not a majority of citizens and/or residents? And I ask that because my conversation with him in email indicated that he had no idea, that it might not be a significant size of population.

Councilmember Phillips: Okay. Thank you. So Ms. Rose, can you address that?

Jordan Rose: Certainly Mayor and Councilman Phillips, hopefully I can address that. I think that Mr. Heinemann is referring to a conversation he indicates that he had with an owner of BASIS. It may be just the same as the letter that he wrote me saying he was conducted by our underwriter who would like information on safety matters. We contacted our underwriter. They said they did no such thing and, in fact, they said they responded -- RBC did not contact you. RBC did not request information from you. Do not represent RBC's position on this matter in any way. So I just question his conversation with my client.

But in any case, what we -- what we represented to our client was exactly what Mr. Barrens and chip Beck, who both stood up here and said that they represent the -- the neighbors nearest to the site, the neighbors in the audience with the green stickers who also indicated they were represented by them and that they were -- I believe Mr. Barrens testified there were over 100 people in that particular

group. So I appreciate the clarification.

Mayor Lane: No, I'm sorry. We can't take questions from the audience at this point in time. It would be out of order.

Jordan Rose: Thank you.

Mayor Lane: Councilman? Is that okay? Thank you, Councilman. Vice Mayor Smith.

[Time: 03:06:21]

Vice Mayor Smith: Thank you, Mayor. I will say first of all what I think you have said as well and that is all of us up here appreciate all of you out there and your passion and your patience in being here. For myself, it's having chaired DRB meetings, it's the third time I have seen you and I understand what you are going to say almost before you say it. I think everyone up here would acknowledge that we are very supportive of BASIS and the mission that BASIS does nationwide and certainly proud to have them -- pleased to have them in our community.

I would almost be remiss if I didn't acknowledge for the vast number of Scottsdale citizens we have another extraordinary school. Actually we have three extraordinary school systems in the city. And I'm, of course, referring to the Scottsdale unified school district, the Paradise Valley unified school district and the Cave Creek school district where most of our citizens attend school and get what is also a remarkably good education.

The third thing I would say is my premise is clear. Public safety is what I consider to be our primary obligation and it is through that lens that I have looked at the school, not through the quality of their education, but the public safety impacts, both on premise and off premise. And someone remarked that we have seen six site plans in terms of traffic flow. That probably indicates, among other things, that the time was well spent in trying to negotiate and consider and continue to come up with additional improvements to the public safety.

Having said that, I will say unequivocally, I think this is a poor site for the BASIS School, in the interest of protecting the interest of safety. That's why it's been so safety to address the safety issues. I don't think the site was chosen because it's an educational Mecca. I think it was chosen for very practical reasons, dollars and cents. It will be a site owned by a for-profit company in Tucson and leased to BASIS School. I think it was chosen because it's a good, cheap site. And I'm sorry that that was the definition, and I'm sorry that we don't have any way to deal with that. And I do endorse what one speaker said that in the future we should have better guidelines and maybe we'll -- maybe we will even address that later tonight.

[Time: 03:09:06]

Vice Mayor Smith: I do have two or three specific questions and the first, if anybody can remember back to when Doris was making her presentation at the beginning of the session, one of your remarks

as you left the podium was, if I got it down right, some of the traffic mitigation issues have been addressed in the development agreement. Did you mean some or did you mean all?

Planner Doris McClay: Mayor, Councilman Smith, I will defer to Paul Basha to explain the development agreement and the traffic mitigation measures.

Transportation Director Paul Basha: Thank you, Doris. Mayor Lane, Vice Mayor Smith, I think the correct word is "all traffic mitigation measures are included in the development agreement."

[Time: 03:09:54]

Vice Mayor Smith: Okay. The second question then is for the BASIS engineer. In this on site plans that you showed us, you showed us the traffic flows around the school site and whatever. It was my understanding that at the southern end, where the students are both picked up and dropped off, that there would be a dual drop off, separated by median; is that correct? And if so, I guess to staff, to Section 3.13, of the development agreement properly reflect the fact that there will be a dual drop off point?

Jamie Blakeman: Mayor Lane and Vice Mayor Smith, yes, there will be dual drop-offs. It will not be separated by a median island. It will -- it will be -- one will be passenger side and the other will be driver side. So if you look in this area, this is where the drop off is and there is two dropoff lanes. So the outer lane would become a passenger side drop off and the inner lane is a driver's side drop off.

Vice Mayor Smith: And then the students --

Jamie Blakeman: Yes, there's a large holding area for them to walk to the crosswalk here and there would be an adult assigned to this area to assist those kids with crossing.

Vice Mayor Smith: Thank you. So then my question is to staff -- I mean, this is an important point in the site plan. Is this properly addressed? Will this happen because otherwise you end up with a choke point there and the site plan, in any judgment would be compromised.

Transportation Director Paul Basha: Mayor Lane, Vice Mayor Smith, I should have identified myself. I'm Paul Basha, transportation director for the citizens of Scottsdale. We have --

Vice Mayor Smith: I think everybody in the room knows you by now, Paul.

Mayor Lane: But thank you, Paul. It is important for anyone who is out there listening or otherwise.

Transportation Director Paul Basha: We have examined the circulation and the drop off location and the school personnel assistance at the drop off location and we are very confident we will operate efficiently and safely.



Vice Mayor Smith: Well, I don't doubt that it will operate efficiently and effectively, particularly if you have a dual drop off. I wanted to see if the development agreement provides for that.

Transportation Director Paul Basha: Yes, Vice Mayor Smith, it does.

Vice Mayor Smith: While I have you then, Paul, let me ask you another two or three questions about traffic on Shea Boulevard. You have stated in previous sessions that Shea Boulevard is obviously a very busy street, reaching 50,000 cars, traffic or more, presumably in number only grows over time. What is the long-term solution for traffic on Shea? And how will that be impacted by the school?

Transportation Director Paul Basha: Mayor Lane, Vice Mayor Smith, the traffic volumes on Shea Boulevard will certainly increase over the years. It is our obligation to the citizens of Scottsdale to resolve the increase in traffic on Shea Boulevard and we'll certainly do that with or without BASIS School located at 128<sup>th</sup> Street and Shea. We don't have any specific solutions to the increase on Shea Boulevard at this time. We are certainly examining that in collaboration with the transportation commission. It was a topic of discussion with the transportation master plan. We are in the process of determining our protected 2035 traffic volume. It's an ongoing discussion and will continue to be one over the next several years, again with or without BASIS School traffic on Shea.

Vice Mayor Smith: And you say with or without. Although, without we would not have a traffic light at 128<sup>th</sup> and with it, we do. And it was my understanding that the Shea plan for whatever you want to call, it the Shea Expressway or whatever we call this road, that was developed probably 20 years ago or so, provided specifically there would not be a traffic light at 128<sup>th</sup> Street. Is that true?

Transportation Director Paul Basha: Vice Mayor Smith, that's correct. The city does have a Shea Boulevard access policy that was developed in 1996. It was incorporated in the 2008 transportation master plan and still incorporated in the 2016 transportation master plan. The design policy specifically states that traffic signals can only be installed within one half mile of an existing -- excuse me, traffic signals can only be installed closer than one half mile to an existing signal, can only be approved by the transportation department after a careful, comprehensive, thorough traffic study of the proposed signal locate.

That comprehensive thorough study was accomplished for the signal at 128<sup>th</sup> Street and Shea. And that study indicated this would be no additional impact to traffic flow progression on Shea Boulevard with the signal at 128<sup>th</sup> Street. We reviewed that analysis carefully, and our traffic engineers in the transportation department concur that the signal at 128<sup>th</sup> Street will not negatively affect signal progression and traffic flow on Shea Boulevard.

Vice Mayor Smith: And it's incredible as I find that, I will defer to your expertise, but it seems incredible.

[Time: 03:16:21]

Vice Mayor Smith: I would like to make three recommendations and maybe I'm making this, I don't

know to the applicant or to the city or whatever. It's my understanding that on 128<sup>th</sup> Street, Paul, you will have in addition to a traffic signal, you will have a walk light. Is that true?

Transportation Director Paul Basha: Vice Mayor Smith, yes, we are in the process of coordinating with the BASIS consultants to design a traffic signal at that location. Better said, we are directing their design of the traffic signal at 128<sup>th</sup> Street and Shea. We anticipate there will be a pedestrian component to that signal. We have not decided on the details of that pedestrian signal at this time.

Vice Mayor Smith: Well, my recommendation, and I would like somebody to respond to whether this is acceptable or not, is that we specifically do not have a walk light on 128<sup>th</sup> and my reason is the only way that a pedestrian -- whether it's student or otherwise -- is going to be on the north side of Shea desiring to come to the south side of Shea, is if they walked either from the east or west. No one can walk from the neighborhood because they would have to jump the wall. So we have walk likes at 124<sup>th</sup>. We have walk lights at 130<sup>th</sup>. Given the traffic and the turning and the queuing and everything else.

It's my judgment that it would most unsafe to have a walk light that would entice students to walk across seven lanes of traffic -- or six lanes of traffic or and turns lanes. I would like to know if everybody would like to exclude that and I would like to see that in the stipulations. I don't know who I'm asking that question of. Maybe I'm asking the applicant would is now conferring with the parties.

Transportation Director Paul Basha: Mayor Lane, Vice Mayor Smith, this is a little awkward to me, especially having two attorneys talking in my ear at the same time. Vice Mayor Smith, with all due respect, we would like to analyze the situation and develop a single design. I have a third attorney talking to me. No, they are talking to each other. Even better.

Vice Mayor Smith, we will take your suggestion under advisement as we develop the traffic signal, but we will be happy to report back to you on our analysis and conclusions, when it's complete.

Vice Mayor Smith: Thank you. Maybe the applicant has a view on this.

Applicant Representative Jordan Rose: We are fine with that suggestion if it pleases the city staff.

[Time: 03:20:00]

Vice Mayor Smith: I presumed you were. Is there any reason why we could not put in the development agreement, that there would be no walk light subject to our own traffic engineers determining otherwise?

City Attorney Bruce Washburn: If I could address that. As you pointed out, vice Mayor, you are not a traffic engineer and I understand the suggestion, quite clearly and I understand why you can reach that conclusion but these are the kinds of things where a traffic engineering analyses is needed before any final decision is made and the traffic engineering analysis will be done to determine what is the

safest way to have the signalization at that intersection. And if it's determined that it's the safest to have a light there, because if you have a red light and cars stop, people will still be able to cross. It's just if you don't have a walk light, they might not be able to cross safely. I would strongly advise against that until the analysis is done. If you are stipulating that we could make as part of the analysis whether or not it would be safe to not have one there, I would suggest that that will be part of the analysis and in any event we would not to be in the development agreement all that being said, if you want to change the development agreement, we do that.

Mayor Lane: If an amendment of a development agreement is agreed upon by the full council, then we would be voting on an amendment to the existing along with the vote for or against -- well, for. We would be amending it to stipulate this. I happen -- personally, I happen to agree the traffic engineers and the department to decide on safety and the development of that, rather than us. But nevertheless, if there will be a stipulation that is added to the agreement, it's something that we have to vote on collectively.

City Attorney Bruce Washburn: The way this always works is that the staff has presented the development agreement to the council in the form that it's in. And the applicant has represented, I'm sorry the other contracting parties have represented that they will agree to that and then the council has the ability to approve it subject to a stipulation and then the other party has the option to agree or not agree. Yes, you always have that power. But I understood the question to be whether or not, you know, we would add a stipulation that it would not -- there would not be a crosswalk there and I guess I want to recommend that -- that it's a way for traffic and engineering analysis before any final determination has been made.

Vice Mayor Smith: And all I really wanted then as I amended my request was to stipulate that there would not be a traffic walk light there. Subject to confirmation of the engineering analysis and the engineering analysis shows otherwise, so be it, but -- the only other comment I guess I will make -- I mean, clearly I'm not real happy with this site selection.

I don't think many people are and it doesn't have anything to do with my admiration for the work that BASIS School does. And my anxiousness to have them here in the city. I'm probably going to support this abandonment, only because I want to get the development agreement. I don't want to see it developed without the development agreement, because I think it would be even less to my liking. And I don't see a particular advantage to a continuance. I'm not sure we will find out much more if we drag this on. But clearly we need better guide lines for the future.

Mayor Lane: Thank you very much. Councilmember Korte.

[Time: 03:24:10]

Councilmember Korte: Thank you, Mayor. As some of you know, I have been a long-time advocate for education. I have been a college professor. I have been honorary chair of several successful Scottsdale Unified School District and maintenance operation overrides. And I have also honorary chair or two Maricopa County College. I stand tall for education every time. And all the public

schools, Paradise Valley and even Fountain Hills, they still educate 87% of our students here in our community.

I have found this to be a very difficult and frustrating case and many of you know that I've had several meetings evenings and weekends and phone calls and 800 plus emails and to those emails I apologize for the 650 that I have not been able to get to. I apologize for not responding. But many of you know I have kind of been circular on this, not knowing where the best decision is. But after many meetings with neighbors and BASIS representatives, neighbors directly impacted and those not directly impacted.

You know, I have been inspired by these neighbors like mother bears protecting their hood. And I'm equally inspired by the hundreds of parents like mother bears protecting their children and their futures.

This is frustrating because fate legislators have taken away the city's authority to make a decision based on the zoning of this site and what's best for that site and what's best for Scottsdale and the impact to existing neighbors. And it's difficult, regardless of our decision here tonight, that BASIS has ever right to move forward and build that BASIS School. So I am in support of this.

I think this is the best decision in a difficult situation.

And therefore, I move to adopt resolution number 10327.

Councilmember Klapp: Second.

Mayor Lane: The motion has been made to adopt the resolution, 10327 and seconded by Councilwoman Klapp. Do you have some comment or –

[Time: 03:27:03]

Councilmember Klapp: My feeling about the case is based on several things. First, I live in this neighborhood. I live closer to this than anybody up here. I live right at the gate of the new -- of the current BASIS School and I go down Shea Boulevard every day and I will go passed the new BASIS School. I know the area extremely well. So my feeling is that based on my current experience with the BASIS School, that I have faith that they will live up to the development agreement, based on their concern for safety of the children at the current school. I have lived in the neighborhood since the school was first built there.

And I went on our -- before I was selected I went on the homeowner's association board for my community at Scottsdale Mountain. We have 700 homes in there. And I found that our homeowners association worked closely with the owners of BASIS School when that school was put into the area and this was a great deal of cooperation and there was definitely concern among the neighbors in my community but there was a great deal of cooperation on how the school would impact the neighborhood, and there was a great deal of cooperation and work on the traffic pattern

that would go by the school and the cuing on the property, and when I joined the board of the H.O.A., we even spent time observing. When the school first opened to make sure that -- that everyone followed the plan and that there was careful monitoring that took place. And there was considerable monitoring. I was surprised by the time and the every that was put into the plan at the current BASIS School. There were teachers that made sure that the parents followed the plan. And ever since then there's been a crossing guard there that makes sure that the -- everyone follows the traffic as they should. And makes sure that the children cross safely. It slows us down a little but, but not a problem for our neighborhood.

That was voiced in a homeowners association that I was in, and a number of homeowners said in the meeting that they were so pleased with the fact that BASIS was in our neighborhood and they were so pleased that there was another BASIS School going into the area. And there was a lot of comment about how it had been a very big plus for our neighborhood. So that is one of the reasons why I feel like this is a good location for the BASIS School. I feel that the new location will be a great benefit, even for the neighborhood because right now, I wouldn't want to be pulling out an Shea Boulevard without a traffic light there. I think it will be a traffic improvement for that particular 128<sup>th</sup> and Shea location. So I believe that BASIS has been a good neighbor. I believe that they will be a good neighbor at the new location. I feel fortunate to live in a neighborhood where there is a BASIS School and I will feel fortunate when the new BASIS school is at the new location at 128<sup>th</sup> and Shea.

So for all of those reasons, because I think we have a more personal observation, I have know exactly how the school management operates in the current location, that I have felt comfortable that if we could come to a resolution with a good development agreement, that they would live up to it and we do have a development agreement that's been signed off by a number of the most -- the closest neighbors to the current school. Not all the neighbors but the people that are most heavily impacted have agreed that this is a good plan. So with that in mind, the people most closely impacted are in agreement.

The BASIS people are -- are trustworthy based on my estimation and my experience with them and the fact that the -- that the traffic department, our transportation department has said this is a safe location. This is a safe plan and we can all question that up here but we are not traffic engineers. So it's my feeling that I have to rely on the expertise of our very wonderful Paul Basha and I have to rely on my experience with the people that run BASIS School and rely on my experience going through this area every day and dealing with the traffic through my neighborhood every day, and watching how well managed and how well-mannered all of the children are that go to that school that I am very happy to second the motion.

Mayor Lane: Thank you. Councilwoman Littlefield.

[Time: 03:32:27]

Councilwoman Littlefield: I would like to make a comment about two of our speakers. Those two little girls who stood up and gave a talk. I think they deserve an "A." They did a great job.

This has been -- like for many of us, this has been extremely difficult for me. I have no problem with BASIS school per se. I know it's a good school. I'm sure the education that the kids get there is tremendous. My problem with this, like with many of us has been the location. I don't believe it's a very good location, but it is the location that they have picked.

I want people to understand what it is we are actually voting on. We are voting on the G.L.O. easement abandonment that the city has and then the development agreement that the city and the BASIS School has hammered out. Whether or not we approve this tonight, the school can be started tomorrow. It can be built and it probably will be. We are not voting on whether or not to build the school. We are voting on whether or not to abandon the easement so that the school can be built to the best plan and design that they can come up with on this lot.

I have -- I haven't said whether or not I supported this plan. I haven't come out and said that to anyone. I have been asked by a lot of people how I feel about it. I haven't said anything because I never got the final plan until this afternoon. It was always changing, and morphing into something new, and something different, and I have to say that what we have tonight, and what I have seen tonight is better than what we have seen before. It has gotten consistently better. It's gotten consistently safer for the kids.

My concern is for the safety of the children, are not safety of the neighborhoods and because it allows people in that wouldn't ordinarily go there, and that's a safety concern also. And it's also a concern about the rights of BASIS, because it's an amazing thing. I have had people come up to me and say you don't have to obey the law. You can say whatever you want and I say, yeah, I can but I'm sworn to uphold the law and I really don't feel like not doing so.

So the -- the concern I have had and the things I have been working for, with all the various people I worked for is what can we do to make this the best that we can and it's as Councilwoman Korte said, the ability to say yes or no has been taken away from us with our state legislature and so we have to work within that structure. Changes have been constant, and even -- right before we had the meeting tonight, I walked in and bugged Mr. Washburn again and asked him, okay. What's new on this thing? What is the final thing? What is going on? He says, well, I just got another email that I'm sending to you on this or that. And so it has been ongoing development, if you will for the development agreement. And I feel like at this point in time, it's probably the best that we can do.

I do have an ongoing concern with safety, with that many children coming into this neighborhood on a regular BASIS, you know, twice in the morning and twice in the afternoon, and then time elapses during vacations and we start over with this traffic flow and everybody has to get used to it again. That's going to be something that's going to have to be watched very carefully.

I would like to suggest to the staff, to the city, that we make sure on our end that the terms of this agreement, all of them, are done, are maintained, and are kept constant and up to date on all of the activities that go on there. We shouldn't just say, okay, we have an agreement and now we will go away and hope it happens. So that's one thing I really would stress.

As some of the people have said here tonight, one accident, one death is way too many. These children are too precious and we don't want to have that happen.

I too would like to see an ordinance studied and come before us on having more consistent structure and guidelines and regulations for something like this, so that we don't have to go through this over and over and over again on every piece of -- of dirt that we have here in Scottsdale. I think the city can do some of those things to make it a lot more easily figured out than this has been.

This has been a very, very difficult time for both those people who support BASIS and those who do not. And I would like to say one thing too on this, thank you for each and every one of you, whether you want the school to go in, whether you don't support the school. Thank you for your care and your concern for Scottsdale. Because this is vital this is what does make Scottsdale special and what makes Scottsdale great. Don't give up. Don't stop. Keep caring. And that's something that is huge, I believe.

Finally, a comment card -- in fact, several of them that we got here from people who were in support of BASIS and one of them said very simply "we will keep it safe." End of quote. I put it on you, each and every one of you. Keep it safe. Because it's your children that are going to be impacted on whether it's safe or not. Thank you.

Mayor Lane: Thank you, Councilwoman. Councilman Phillips.

[Time: 03:38:42]

Councilmember Phillips: Thank you, Mayor. Well, I seem to have had a different experience with this. I will start out by saying that this seem to be a lot of parents and children who think that this is about BASIS School and that's why you brought your children to say how wonderful BASIS School is. Again, it has nothing to do with BASIS. We all love BASIS. We would love to find a better location for it and I think we could have, had we had the time to do that. It is not about a school. It is about land use. Whether or not any applicant's project should go on this site is contingent on many factors not the least of which is safety. Of those using this facility. Those using Shea Boulevard daily and the residents in the area.

You know, I appreciate BASIS attorneys. I appreciate the residents and staff and I have even helped work on these design guidelines to try to mitigate a lot of these problems. But I feel like the fact that we have a 13-page development agreement has taken this long to do so doesn't tell me that we have worked out a better project. It tells me it was never good from the beginning and no amount of pages is ever going to fix this. You know, I think without the work of the concerned residents, we wouldn't even have this agreement. BASIS just would have built this school and hoped for the best. So you can at least give the residents the credit for coming up with this.

You know, how powerful is BASIS? I have been contacted by legislators, senators, reminding me to be a good little republican, vote for charter schools. I have been reminded that I'm up for reelection and there are a lot of people here that vote. And tonight parents have allowed a parade of children

to speak for them. Personally I don't remember when a council ever allowed underaged children to testify for an applicant. As cute as that is. I'm sorry but I do not appreciate that and I will not be intimidated into agreeing with any application that I feel is wrong for whatever that reason may be.

I'm not convinced this will ever be a safe location. It doesn't matter if it's a charter school or a public school or a gas station or any kind of construction. As far as this -- as far as Shea and this area this far east area, and this number of customers, you could say, 1200, if it wasn't for the state protections, this school probably wouldn't have even picked this site. And I would even contend that the school realizes now that it really wasn't a good site and they're trying to make the best of it. And I still wish that the school would work with the city, work with the residents and find a better location. But I have to make my decision based on what I feel is the safety of the public at large. Not just parents of BASIS who want the school built real quick so their students can go there.

I have a construction business. I travel up and down Shea all the time. We all go 60 miles per hour. The speed limit is 50. We go 60. We slow down to 50 where the speed camera is. We all know where that is and we speed up again. I had people flip me off for not going 60 and they had to go around me. So no amount of the speeds we should go or how much people pay attention, Shea is a dangerous road. It just is. And Shea is at 88% capacity right now. The past traffic studies said we should go to eight lanes. It is a dangerous location. I wouldn't put my business along Shea. I certainly wouldn't put a school along Shea.

So, you know, we have heard this testimony that, well, you know, they are state protected and they can put a school wherever they want. Does that make it right? Do I have to vote for it because the state said they can do whatever they want? I don't have to vote for it. The school is going to go in anyway, but it doesn't mean that I have to agree to it. So I will not be supporting this resolution.

[Time: 03:43:34]

Mayor Lane: Thank you, Councilman. Councilwoman Milhaven.

Councilmember Milhaven: Thank you, Mayor. What a positive evening, I think this turned out to be on balance. Council -- Vice Mayor talked about the two DRB meetings that he chaired and I missed first one but I watched the second one from the comfort of my family room on television. I saw all four hours and looked like we had a freight train running away. There was a lot of emotion on both sides of the issue and for us to sit here tonight to have the neighbors say maybe it's not a perfect plan, but we have worked with BASIS and found a compromise to mitigate the impact on the neighborhood, I think is a really positive thing. And to the government teacher who recognized the participation, I want to echo that and tell what a great civics lesson for the students of BASIS and what a great example the leadership of BASIS has demonstrated in trying to find compromise and be a good neighbor.

Is it perfect? No. There's a lot of question about the issue of safety. Safe is not a yes or no question. When I get up in the morning and get out of bed. When I get out of bed has risks. Staying in bed has risks. So it's not a yes or no question. It's how do we mitigate the risk to make it



safer? And while I probably learned more about traffic plans than I ever imagined I would, I still need to defer to the experts who say that, yeah, there's risk, but we have done everything we can to mitigate the risk to address the concerns of the neighbors.

I know not all the neighbors are pleased, but I think the question for us today is do we approve the easement? And get a development agreement that mitigates the impact on the neighbors or do we say no and we get a school without those mitigations and considerations. The think the neighbors are better we development agreement and we only get the development agreement if we vote yes.

Everyone who showed up, thank you. I would like to apologize that it's not possible for me to respond to the almost 800 emails that we got, but know that we saw them and heard you. And I'm very excited to be approving this wonderful asset in Scottsdale.

[Time: 03:45:48]

Mayor Lane: Thank you, Councilwoman. You know, every time we go through a process like this, we all learn an awful lot. And frankly, when our citizens are exposed to this process that we try to keep in an orderly and non-chaotic kind of forum, it's a very important process. And one of the things is being able to deal and work together in a civil kind of way. And so that really requires a process that we do listen, we do hear. We have to weigh all the factors and we have to be concerned about every aspect of how it impacts the city of Scottsdale.

But more specifically and I think this is probably the direction that I took in this, we can talk -- excuse me, we can talk and argue about the site and whether it's good or bad and this may be some other issues that we are trying to attend to, but one of the words university used by Councilwoman Milhaven, that is how do we mitigate any of the impacts one way or the other? Any time we do anything in town, there is impacts to somebody who is there previously. And we didn't figure how we would work those things together and frankly have some kind of compromise, either on price or on type of building. We had some watermelon farms right around here, you know, on a continuing basis.

So there's a lot of things that change and we are vested with a responsibility to manage that change. That's what we are here to do. We can't stop it. We have got to move on now in this particular incidence, we will have a change state statute. We have some laws that are formulated that that in a municipality violates a state statute, that they will take state shared revenue. So the exposure becomes even worse for us in violation.

And I think as Councilwoman Littlefield mentioned we are not really in the habit of trying to violate state law. And so it's a careful area and so when we end up in that position, this is what it really got down to, more than anything else. If we put everything else aside, and we said, hey, if this is going to happen, do we want a development agreement that does its best to mitigate the differences and the changes and the issues?

And I will take -- probably I have -- if there's a point of exception, I suppose, the number of renditions

of a development agreement are not necessary history a bad thing. It's frankly a clear indication of people trying to work together to make sure that we are listening and we are hearing and both the applicant and the neighborhood and principally those people that are directly impacted.

So we are, you have to know very much involved with trying to bring compromise, mitigation, and concern on all levels the best we possibly can. Hey, it's the work we do. I mean, it's not easy. In fact, if it were easy, I mean, we wouldn't be getting paid the big bucks as somebody already pointed out. But in any case, it's -- it's a process. And it's a good one. And it's a time honored one. And we try to stand up to the oath when we took this office, we took an oath to obey the law, our state constitution, the U.S. constitution and our city charter and that's what we strive to do in every case. So we work together on this one. I think we have come up with, I think, a development agreement that incorporates as much as possible in trying to mitigate the concerns of neighbors particularly. I think we are in a good place on this.

The other thing is that I'm hoping that it becomes somewhat more of a settled matter, not something that, you know, somehow there's a war going on later on. So I -- I think that's what we are all striving for and that's what we work towards as a council in this and you know, I know that this was a lot of events. There's -- there were a couple of D.R.B. meetings, the planning commission where we have gotten together before. Probably a lot of same people here in this room have been here before.

So it's -- it's a process. It takes a little bit of time but Scottsdale is really vested in a great process. We are probably more refined in this process than most other municipalities around and there's a reason for that. We have got a great city. And we work together to make sure we solve problems and we move forward as a community. So I -- I support the motion and support -- I will be supporting both the resolution for the G.L.O. abandonment and the development agreement.

And I also too, want to once again say thank you to everybody who participates. As it's been said before, it is very important that we have an involved community. Hugely important and sometimes it takes on different forms but we really do like to exhibit good solid behavior in how we have these get together. You are invited any time incidentally.

So in any case, I think that we have come through it and I think we have asked the questions that are necessary. We received the testimony on all sides. And I think we are where we are to the point that we do have the motion on the table. So the motion and seconded here.

So I think we are now ready then to vote for the motion. Now this is just the first resolution, it's 10327, and this is the G.L.O. abandonment. If we are. All those in favor, indicate with an aye. Those opposed with a nay. Aye. The motion passes 6-1. Councilman Phillips opposing.

[Time: 03:51:52]

Councilmember Milhaven: Mayor, I would like to make a motion to approve resolution 10346, authorizing development agreement with BASIS Schools outlining traffic mitigation measures and school operations.

Councilwoman Littlefield: Second.

Mayor Lane: The motion has been made and seconded. I'm not sure who seconded it.  
Councilwoman Littlefield: Would you like to speak towards it at all. Okay.

The motion has been made and seconded. I don't see any further comment here on my screen.  
Seeing none, we are then ready to vote. All those in favor please indicate by aye. Those opposed  
with a nay. Aye. The motion passes 6-1 with Councilman Phillips opposing.

So that completes our evening on those resolutions. Again, thanks very much for everybody's  
participation.

[Cheers and Applause]

Mayor Lane: That last sign of defiance. Okay. I would ask that -- we have not quite adjourned the  
meeting yet, but thank you. Do I have a -- no, we have another order of business. We have  
some -- no but we still have a meeting underway and I would ask that if you could, please. If you  
could, if you would like to leave, certainly, do so quietly so we can continue our meeting. So thank  
you very much. Could I ask for you to take the conversation outside, because we still have a meeting  
to conduct here.

#### **MAYOR AND COUNCIL ITEMS**

[Time: 03:54:52]

Mayor Lane: All right. The next order of business we don't have any further public comment?  
The citizens petitions but I do believe we probably have a Mayor and council item.

Councilmember Korte, would you like to --

Councilmember Korte: Thank you, Mayor. So I would like to make a motion to direct staff to  
agendize a presentation, discussion and possible direction to staff on what steps the city might take to  
assure that the charter schools seeking to locate in the city will have minimal impact on relevant  
neighborhoods, including possible communications to state legislators regarding issues arising from  
existing state statutes.

Councilwoman Littlefield: Second.

Mayor Lane: The motion has been made and seconded. And this is to --

Councilmember Korte: Agendize.

Mayor Lane: Agendize that item for discussion and presentation from staff. Okay. There's no

further comment requested on that. Then we are then ready to vote. Those in favor, please indicate by aye. Those opposed with a nay. Aye. It's unanimous. Was that clear enough as far as that motion is concerned?

Acting City Manager Brian Biesemeyer: That clear, Mayor.

Mayor Lane: Now that we voted it.

**ADJOURNMENT**

[Time: 03:56:20]

Councilmember Klapp: Move to adjourn.

Councilmember Milhaven: Second.

Mayor Lane: All in favor of adjournment, please indicate by aye. Aye. Thank you, everyone. Thank you, staff.