

**SCOTTSDALE CITY COUNCIL
REGULAR MEETING MINUTES
TUESDAY, JUNE 27, 2017**



**CITY HALL KIVA
3939 N. DRINKWATER BOULEVARD
SCOTTSDALE, AZ 85251**

CALL TO ORDER

Mayor W.J. "Jim" Lane called to order a Regular Meeting of the Scottsdale City Council at 5:08 P.M. on Tuesday, June 27, 2017, in the City Hall Kiva.

ROLL CALL

Present: Mayor W.J. "Jim" Lane; Vice Mayor Suzanne Klapp; and Councilmembers Virginia Korte, Kathleen Littlefield, Linda Milhaven, Guy Phillips, and David N. Smith

Also Present: City Manager Jim Thompson, City Attorney Bruce Washburn, City Treasurer Jeff Nichols, City Auditor Sharron Walker, and City Clerk Carolyn Jagger

PLEDGE OF ALLEGIANCE – Councilman Phillips

INVOCATION – Pastor Troy Peterson, Scottsdale Bible Church

MAYOR'S REPORT

Mayor Lane congratulated the city's Economic Development Department on the recent accreditation from the Accredited Economic Development Organization.

PRESENTATIONS

- **The Spirit of Scottsdale Awards**
Presenter(s): Joe Meli, Neighborhood Advisory Commission Chairman

Neighborhood Advisory Commissioners Rachel Putman and Carol Miraldi presented Spirit of Scottsdale awards (PowerPoint presentation attached) to Geraldine Jordison, Christi Sharpe, Carroll Huntress, Chris Birkett, and Charlie LaBenz.

NOTE: MINUTES OF CITY COUNCIL MEETINGS AND WORK STUDY SESSIONS ARE PREPARED IN ACCORDANCE WITH THE PROVISIONS OF ARIZONA REVISED STATUTES. THESE MINUTES ARE INTENDED TO BE AN ACCURATE REFLECTION OF ACTION TAKEN AND DIRECTION GIVEN BY THE CITY COUNCIL AND ARE NOT VERBATIM TRANSCRIPTS. DIGITAL RECORDINGS AND CLOSED CAPTION TRANSCRIPTS OF SCOTTSDALE CITY COUNCIL MEETINGS ARE AVAILABLE ONLINE AND ARE ON FILE IN THE CITY CLERK'S OFFICE.

PUBLIC COMMENT

- Gaile Perry Dixon commented on the proposed sober living homes text amendment.
- Terry Brodtkin expressed concern about vandalism in the entertainment district.
- Robert Chevaleau spoke in support of a non-discrimination ordinance.

ADDED ITEMS

A1. Added Items

Consent Item Nos. 26A and 26B were added to the agenda on June 22, 2017.

Request: Vote to accept the agenda as presented or continue the added item(s) to the next scheduled Council meeting, which is July 5, 2017.

MOTION AND VOTE – ADDED ITEMS

Councilman Phillips made a motion to accept the agenda as presented. Vice Mayor Klapp seconded the motion, which carried 7/0.

MINUTES

Request: Approve the Work Study Session Minutes of May 30, 2017.

MOTION AND VOTE – MINUTES

Councilmember Korte made a motion to approve the Work Study Session Minutes of May 30, 2017. Councilman Phillips seconded the motion, which carried 7/0.

CONSENT AGENDA

1. Sushi Sen Liquor License (42-LL-2017)

Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 12 (restaurant) State liquor license for an existing location with a new owner.

Location: 7001 N. Scottsdale Road, Suite 154

Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov

2. Victorium Liquor License (43-LL-2017)

Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 12 (restaurant) State liquor license for a new location and owner.

Location: 9219 E. Hidden Spur Trail

Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov

3. Cafe Monarch Liquor License (44-LL-2017)

Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 12 (restaurant) State liquor license for a new location and owner.

Location: 6939 E. 1st Avenue

Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov

- 4. David's Original Hamburgers Liquor License (45-LL-2017)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 12 (restaurant) State liquor license for an existing location with a new owner.
Location: 7212 E. Main Street
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 5. Foothills Community Foundation Bingo License (1-BI-2017)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Revenue for a bingo license for Foothills Community Foundation.
Location: 34250 N. 60th Street, Building B
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 6. Circle K Conditional Use Permit (10-UP-2016)**
Request: Find that the conditional use permit criteria have been met and adopt **Resolution No. 10826** approving an amendment to an existing Conditional Use Permit to allow for the redevelopment and expansion of an existing Circle K gas station on a 41,398± square-foot site with Highway Commercial (C-3) zoning.
Location: 10200 N. Scottsdale Road
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 7. Crown Castle Days Inn and Suites Conditional Use Permit (7-UP-2017)**
Request: Find that the conditional use permit criteria have been met and adopt **Resolution No. 10827** approving a Conditional Use Permit for a new Type 4, Alternative Concealment Wireless Communication Facility in the design of a 62-foot and 6-inch tall artificial palm tree with Multiple-Family Residential, Planned Community District (R-5 PCD) zoning.
Location: 7330 N. Pima Road
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
- 8. Cochise Manor GLO Abandonment (7-AB-2012#3)**
Request: Adopt **Resolution No. 10804** authorizing the abandonment of:

 1. 270± feet of the full 33-foot-wide GLO easement located on the west side of the parcel located at 10569 N. 131st Street with Single-Family Residential, Environmentally Sensitive Lands (R1-43 ESL) zoning.
 2. 570± feet of the full 33-foot-wide GLO easement located on the east side of parcels located at 10425, 10473, and 10521 N. 131st Street with Single-Family Residential, Environmentally Sensitive Lands (R1-43 ESL) zoning.
 3. 257± feet of the north 8 feet of the 33-foot-wide GLO easement located on the south side of the parcel located at 10425 N. 131st Street with Single-Family Residential, Environmentally Sensitive Lands (R1-43 ESL) zoning.

Location: 10425, 10473, 10521, and 10569 N. 131st Street
Staff Contact(s): Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov

- 9. Villa Del Sol Common Area Replat (2-PP-2017)**
Request: Approve the replat of Tract T and the abutting portions of Lots 9, 10, and 18 of the existing Villa Del Sol 19-lot residential subdivision with Single-Family Residential, Planned Community District (R1-7 PCD) zoning on 0.86± acres.
Location: 7179 N. Via De Amigos
Staff Contact(s): Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov
- 10. Fiscal Year 2016/17 Year-End Capital Improvement Plan Budget Adjustments**
Request: Adopt **Resolution No. 10843** authorizing FY 2016/17 Capital Improvement Plan budget adjustments.
Staff Contact(s): Daniel Worth, Public Works Director, 480-312-5555, dworth@scottsdaleaz.gov
- 11. Stax Burger Bistro Outdoor Dining Revocable License Agreement**
Request: Adopt **Resolution No. 10766** authorizing Agreement No. 2017-054-COS with Sizzle Scottsdale, LLC, for an outdoor dining patio on City property.
Location: 4400 N. Scottsdale Road
Staff Contact(s): Daniel Worth, Public Works Director, 480-312-5555, dworth@scottsdaleaz.gov
- 12. On-Call Water Resources Engineering Services Contract Extensions**
Request: Adopt **Resolution No. 10829** authorizing the following one-year contract extensions in an amount not to exceed \$750,000 per contract for water resources engineering services:
1. Contract No. 2014-075-COS-A3 with Carollo Engineers, Inc.
2. Contract No. 2014-076-COS-A2 with GHD, Inc.
3. Contract No. 2014-077-COS-A2 with Water Works Engineers
Staff Contact(s): Daniel Worth, Public Works Director, 480-312-5555, dworth@scottsdaleaz.gov
- 13. Paiute Neighborhood Center Fencing and Gates Construction Bid Award**
Request: Adopt **Resolution No. 10822** authorizing Construction Bid Award No. 17PB023 with TB Contractors, Inc., in the amount of \$179,484.01 to purchase and install fencing and gates at the Paiute Neighborhood Center; and authorizing a City allowance for electrical work in the amount of \$7,500 for a total project price of \$186,984.01 to be fully funded by Federal Community Development Block Grant funding.
Staff Contact(s): Bill Murphy, Community Services Director, 480-312-7954, bmurphy@scottsdaleaz.gov
- 14. Paiute Neighborhood Center Head Start Programs Revocable License Agreement**
Request: Adopt **Resolution No. 10778** authorizing Agreement No. 2017-061-COS with Maricopa County to use space at Paiute Neighborhood Center to operate the Head Start and Early Head Start programs.
Staff Contact(s): Bill Murphy, Community Services Director, 480-312-7954, bmurphy@scottsdaleaz.gov
- 15. Naming of Pinnacle Peak Park Ramada**
Request: Adopt **Resolution No. 10817** authorizing naming the ramada at Pinnacle Peak Park the "Morrie Chernis Ramada" in honor of Morrie Chernis' efforts on behalf of the park and the Friends of Pinnacle Peak Park.
Staff Contact(s): Bill Murphy, Community Services Director, 480-312-7954, bmurphy@scottsdaleaz.gov

Mayor Lane opened public testimony.

Michael Auerbach, resident, spoke in support.

Mayor Lane closed public testimony.

16. Library Assistance Program

Request: Adopt **Resolution No. 10788** accepting new library materials valued at \$367,889 from the Maricopa County Library District's Library Assistance Program for FY 2017/18, as stipulated in Contract Nos. 2013-129-COS and 2013-129-COS-A1.

Staff Contact(s): Bill Murphy, Community Services Director, 480-312-7954, bmurphy@scottsdaleaz.gov

17. Fiscal Year 2017/18 Scottsdale Cares Allocations

Request: Adopt **Resolution No. 10801** approving the recommendations of the Human Services Commission and allocating funding from the Scottsdale Cares Program for FY 2017/18 human services programs in the amount of \$180,000; and authorizing the Mayor or Community Services Director to execute individual contracts.

Staff Contact(s): Bill Murphy, Community Services Director, 480-312-7954, bmurphy@scottsdaleaz.gov

18. Fiscal Year 2017/18 Human Services General Fund Program Allocations

Request: Adopt **Resolution No. 10802** approving the recommendations of the Human Services Commission for allocation of FY 2017/18 General Funds for human services programs in the amount of \$200,000; and authorizing the Mayor or Community Services Director to execute individual contracts.

Staff Contact(s): Bill Murphy, Community Services Director, 480-312-7954, bmurphy@scottsdaleaz.gov

19. Fiscal Year 2017/18 Salt River Pima Maricopa Indian Community Grant Funds

Request: Adopt **Resolution No. 10803** approving the Salt River Pima Maricopa Indian Community tribal gaming grant funds allocations for FY 2017/18 in the amount of \$211,940 for programs and services benefitting the general public; and authorizing the Mayor or Community Services Director to execute individual contracts.

Staff Contact(s): Bill Murphy, Community Services Director, 480-312-7954, bmurphy@scottsdaleaz.gov

20. Tourism Event Funding Programs

Request: Adopt the following resolutions authorizing use of the Tourism Development Fund for FY 2017/18 events that meet the criteria of the following Tourism Event Funding Programs:

1. **Resolution No. 10773** authorizing the Event Venue Fee Funding Program, and authorizing the Mayor to execute individual agreements with each event producer.
2. **Resolution No. 10774** authorizing the Community Event Funding Program, and authorizing the Mayor to execute individual agreements with each event producer.
3. **Resolution No. 10775** authorizing the Matching Event Advertising Funding Program, and authorizing the Mayor to execute individual agreements with each event producer.

4. **Resolution No. 10776** authorizing the New Event Development Funding Program, subject to Council approval of such agreements, and authorizing staff to use the New Event Development Guidelines to evaluate whether an event qualifies for funding.
Note: The total amount of Event and Event Development funding available for all four Tourism Event Funding Programs shall not exceed \$1,200,000 as authorized by Ordinance No. 4019.
Staff Contact(s): Karen Churchard, Tourism and Events Director, 480-312-2890, kchurchard@scottsdaleaz.gov

21. **Scottsdale Cultural Council Annual Financial Participation Agreement**
Request: Adopt **Resolution No. 10819** authorizing Agreement No. 2017-078-COS with the Scottsdale Cultural Council in the amount of \$4,648,687 to be allocated for activities consistent with Management Services Agreement No. 2008-048-COS.
Staff Contact(s): Karen Churchard, Tourism and Events Director, 480-312-2890, kchurchard@scottsdaleaz.gov

22. **Experience Scottsdale Destination Marketing Services Agreement**
(Removed at the request of staff.)

23. **Canal Convergence Events**
Moved to the Regular Agenda (Page 7).

24. **Regional Economic Development Marketing Services Contract**
Request: Adopt **Resolution No. 10798** authorizing Contract No. 2017-074-COS with the Greater Phoenix Economic Council in the amount of \$104,635 for regional economic development marketing services.
Staff Contact(s): Danielle Casey, Economic Development Director, 480-312-7601, dcasey@scottsdaleaz.gov

25. **Purchase of Property-Casualty Insurance for the Period of July 1, 2017, to July 1, 2018**
Request: Adopt **Resolution No. 10836** authorizing and directing the purchase of property-casualty insurance, including general liability, law enforcement liability, vehicle liability, public officials errors and omissions, cyber liability, property, workers' compensation, airport liability, and hangarkeepers' legal liability insurance for FY 2017/18.
Staff Contact(s): Katherine Callaway, Risk Management Director, 480-312-7841, kcallaway@scottsdaleaz.gov

26. **Monthly Financial Report**
Request: Accept the FY 2016/17 Monthly Financial Report as of April 2017.
Staff Contact(s): Judy Doyle, Budget Director, 480-312-2603, jdoyle@scottsdaleaz.gov

- 26A. **Palomino Library Intergovernmental Agreement Extension**
Request: Adopt **Resolution No. 10816** authorizing Agreement No. 2012-101-COS-A2 with Scottsdale Unified School District No. 48 pertaining to the Palomino Library at Desert Mountain High School to extend the agreement through December 1, 2017.
Staff Contact(s): Bill Murphy, Community Services Director, 480-312-7954, bmurphy@scottsdaleaz.gov

26B. Destination Marketing Services Agreement Extension

Request: Adopt **Resolution No. 10820** authorizing Agreement 2012-053-COS-A1 with Scottsdale Convention and Visitors Bureau Inc., d/b/a Experience Scottsdale to change the expiration date from June 30, 2017, to September 30, 2017.

Staff Contact(s): Karen Churchard, Tourism and Events Director, 480-312-2890, kchurchard@scottsdaleaz.gov

MOTION AND VOTE – CONSENT AGENDA

Councilmember Korte made a motion to approve Consent Agenda Items 1 through 26B, absent Item 22, which had been removed from the agenda at the request of staff, and Item 23, which was moved to the Regular Agenda. Vice Mayor Klapp seconded the motion, which carried 7/0.

REGULAR AGENDA

23. Canal Convergence Events

Request: Adopt **Resolution No. 10821** authorizing a FY 2017/18 Tourism Development Fund operating contingency transfer in the amount of \$650,000 to the Tourism and Events Department operating budget for use in supporting the 2017/18 Canal Convergence events.

Staff Contact(s): Karen Churchard, Tourism and Events Director, 480-312-2890, kchurchard@scottsdaleaz.gov

Tourism and Events Director Karen Churchard gave a PowerPoint presentation (attached) on the proposed Canal Convergence events contingency transfer.

MOTION AND VOTE – ITEM 23

Councilman Phillips made a motion to adopt Resolution No. 10821. Councilmember Korte seconded the motion, which carried 7/0.

27. Public Hearing and Adoption of Fiscal Year 2017/18 Rates and Fees

Requests:

1. Accept citizen comments at a public hearing regarding proposed rates and fees.
2. Adopt **Ordinance No. 4316** amending Scottsdale Revised Code, Chapter 49, Water, Sewers and Sewage Disposal by adjusting miscellaneous water charges, effective November 1, 2017.
3. Adopt **Resolution No. 10839** authorizing the Planning and Development rates and fees for wireless communication facilities in the right-of-way, effective August 1, 2017.
4. Adopt **Resolution No. 10823** authorizing Special Event Fees, effective August 1, 2017.
5. Adopt **Resolution No. 10830** authorizing the Community Services Division Schedule of Program Charges, Rental Fees, and Fines, effective August 1, 2017.

Presenter(s): Brian Biesemeyer, Water Resources Director; Randy Grant, Planning and Development Services Director; Karen Churchard, Tourism and Events Director; Bill Murphy, Community Services Director

Staff Contact(s): Judy Doyle, Budget Director, 480-312-2603, jdoyle@scottsdaleaz.gov

Budget Director Judy Doyle, Water Resources Director Brian Biesemeyer, Planning and Development Services Director Randy Grant, Tourism and Events Director Karen Churchard, and Community Services Director Bill Murphy gave PowerPoint presentations (attached) on the proposed Fiscal Year 2017/18 rates and fees.

MOTION AND VOTE – ITEM 27

Councilwoman Milhaven made a motion to adopt Ordinance No. 4316, Resolution No. 10839, Resolution No. 10823, and Resolution No. 10830. Councilwoman Littlefield seconded the motion, which carried 7/0.

28. Fiscal Year 2017/18 Property Tax Levies

Request: Adopt **Ordinance No. 4312** assessing the FY 2017/18 primary and secondary property tax levies and fixing the primary and secondary property tax rates.

Presenter(s): Judy Doyle, Budget Director

Staff Contact(s): Judy Doyle, Budget Director, 480-312-2603, jdoyle@scottsdaleaz.gov

Budget Director Judy Doyle gave a PowerPoint presentation (attached) on the proposed Fiscal Year 2017/18 property tax levies.

MOTION AND VOTE – ITEM 28

Councilmember Korte made a motion to adopt Ordinance No. 4312. Councilman Smith seconded the motion, which carried 7/0.

29. Fiscal Year 2017/18 Streetlight Improvement District Property Tax Levy

Request: Adopt **Ordinance No. 4311** assessing the FY 2017/18 streetlight improvement district property tax levy by district in accordance with Arizona Revised Statutes and the City Charter.

Presenter(s): Judy Doyle, Budget Director

Staff Contact(s): Judy Doyle, Budget Director, 480-312-2603, jdoyle@scottsdaleaz.gov

Budget Director Judy Doyle gave a PowerPoint presentation (attached) on the proposed Fiscal Year 2017/18 municipal streetlight improvement district expenses and property tax levies.

MOTION AND VOTE – ITEM 29

Councilmember Korte made a motion to adopt Ordinance No. 4311. Councilman Smith seconded the motion, which carried 7/0.

30. Monthly Financial Update

Request: Receive, discuss, and provide possible direction on the City Treasurer's monthly financial presentation as of May 2017.

Presenter(s): Jeff Nichols, City Treasurer

Staff Contact(s): Judy Doyle, Budget Director, 480-312-2603, jdoyle@scottsdaleaz.gov

City Treasurer Jeff Nichols gave a PowerPoint presentation (attached) on the City's monthly financial status as of May 2017.

30A. Indemnification of Mayor, Councilmembers, City Manager, City Clerk, and City Attorney in Mark Stuart et al., v. City of Scottsdale et al., Federal District of Arizona Cause No. CV-17-01848-DJH

Request: Adopt the following resolutions related to the lawsuit entitled *Mark Stuart et al., v. City of Scottsdale et al.*, currently pending in the United States District Court, District of Arizona, Cause No. CV-17-01848-DJH:

1. **Resolution No. 10849** authorizing the City to defend and indemnify Mayor W.J. "Jim" Lane.
2. **Resolution No. 10850** authorizing the City to defend and indemnify Councilmember Guy Phillips.
3. **Resolution No. 10851** authorizing the City to defend and indemnify Councilmember Kathy Littlefield.
4. **Resolution No. 10852** authorizing the City to defend and indemnify Councilmember Suzanne Klapp.
5. **Resolution No. 10853** authorizing the City to defend and indemnify Councilmember Linda Milhaven.
6. **Resolution No. 10854** authorizing the City to defend and indemnify Councilmember Virginia Korte.
7. **Resolution No. 10855** authorizing the City to defend and indemnify Councilmember David Smith.
8. **Resolution No. 10856** authorizing the City to defend and indemnify City Manager Jim Thompson, City Clerk Carolyn Jagger, and City Attorney Bruce Washburn.

Staff Contact(s): Eric Anderson, Sr. Assistant City Attorney, 480-312-2405, ecanderson@scottsdaleaz.gov; Sherry Scott, Deputy City Attorney, 480-312-2405, sscott@scottsdaleaz.gov

Deputy City Attorney Sherry Scott introduced the item. She explained that, for each vote, the Councilmember who is the subject of the resolution would have to recuse himself and leave the dais.

Mayor Lane recused himself and left the dais.

MOTION AND VOTE NO. 1 – ITEM 30

Councilmember Korte made a motion to adopt Resolution No. 10849. Councilwoman Littlefield seconded the motion, which carried 6/0.

Mayor Lane returned to the dais. Councilman Phillips recused himself and left the dais.

MOTION AND VOTE NO. 2 – ITEM 30

Councilmember Korte made a motion to adopt Resolution No. 10850. Councilwoman Littlefield seconded the motion, which carried 6/0.

Councilman Phillips returned to the dais. Councilwoman Littlefield recused herself and left the dais.

MOTION AND VOTE NO. 3 – ITEM 30

Councilmember Korte made a motion to adopt Resolution No. 10851. Councilman Phillips seconded the motion, which carried 6/0.

Councilwoman Littlefield returned to the dais. Vice Mayor Klapp recused herself and left the dais.

MOTION AND VOTE NO. 4 – ITEM 30

Councilmember Korte made a motion to adopt Resolution No. 10852. Councilman Phillips seconded the motion, which carried 6/0.

Vice Mayor Klapp returned to the dais. Councilwoman Milhaven recused herself and left the dais.

MOTION AND VOTE NO. 5 – ITEM 30

Councilmember Korte made a motion to adopt Resolution No. 10853. Councilman Phillips seconded the motion, which carried 6/0.

Councilwoman Milhaven returned to the dais. Councilmember Korte recused herself and left the dais.

MOTION AND VOTE NO. 6 – ITEM 30

Councilman Phillips made a motion to adopt Resolution No. 10854. Councilman Smith seconded the motion, which carried 6/0.

Councilmember Korte returned to the dais. Councilman Smith recused himself and left the dais.

MOTION AND VOTE NO. 7 – ITEM 30

Councilman Phillips made a motion to adopt Resolution No. 10855. Councilmember Korte seconded the motion, which carried 6/0.

Councilman Smith returned to the dais.

MOTION AND VOTE NO. 8 – ITEM 30

Councilmember Korte made a motion to adopt Resolution No. 10856. Councilman Phillips seconded the motion, which carried 7/0.

PUBLIC COMMENT – None

CITIZEN PETITIONS

31. Receipt of Citizen Petitions

Request: Accept and acknowledge receipt of citizen petitions. Any member of the Council may make a motion, to be voted on by the Council, to: (1) Direct the City Manager to agendaize the petition for further discussion; (2) direct the City Manager to investigate the matter and prepare a written response to the Council, with a copy to the petitioner; or (3) take no action.

Staff Contact(s): Carolyn Jagger, City Clerk, 480-312-2411, cjagger@scottsdaleaz.gov

No citizen petitions were received.

MAYOR AND COUNCIL ITEMS

MOTION AND VOTE – MAYOR AND COUNCIL ITEMS

Councilman Smith made a motion to agendaize, for a future meeting, the Mayor's Office staff bringing forward a process for Council review that will engage Scottsdale citizens in a discussion about a possible new or redesign of the City flag. Vice Mayor Klapp seconded the motion, which carried 7/0.

ADJOURNMENT

The Regular City Council Meeting adjourned at 6:39 P.M.

SUBMITTED BY:



Carolyn Jagger
City Clerk

Officially approved by the City Council on


August 28, 2017

CERTIFICATE

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Regular Meeting of the City Council of Scottsdale, Arizona held on the 27th day of June 2017.

I further certify that the meeting was duly called and held, and that a quorum was present.

DATED this 28th day of August 2017.



Carolyn Jagger, City Clerk



Non-Residential Award Winner, 2016

2017 SPIRIT OF SCOTTSDALE AWARDS

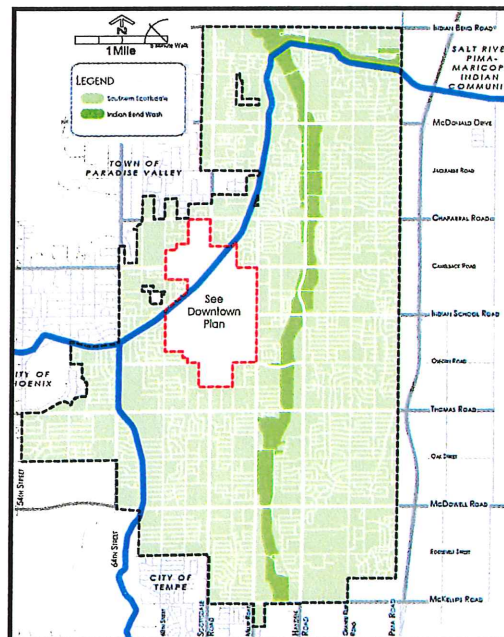
Neighborhood Advisory Commission

For 2017, the NAC received nominations in three categories South of Indian Bend Road:

• *Residential Property*

• *Non-Residential Property*

• *Spirit of Scottsdale* focuses on how an organization, school, club, group or person has created an environment that positively impacted a neighborhood.



2017 NOMINATIONS AND CRITERIA CONSIDERATIONS

CATEGORY	CRITERIA
<p>RESIDENTIAL PROPERTY</p> <p>NON- RESIDENTIAL PROPERTY</p>	<ol style="list-style-type: none"> 1. Neighborhood Input – Share any feedback and comments received from neighbors about the improvement. 2. Neighborhood Impact – Were other neighbors inspired to make improvements too? 3. Did the improvement create a more pleasant environment or encourage more outside activity and eyes on the street? 4. Neighborhood Participation – Was the neighborhood involved in the project?
<p>SPIRIT OF SCOTTSDALE</p>	<ol style="list-style-type: none"> 1. Number of years of involvement in neighborhood building or city-wide neighborhood issues. 2. Examples of leadership in building neighborhood communication, projects and improvements. 3. Examples of effort in engaging fellow neighbors in communication, projects and improvements. 4. Unique contributions to the neighborhood.





2017 Non-Residential AWARD WINNER



2017 Spirit of Scottsdale Award Winner



2017 Spirit of Scottsdale Award Winner

Item 23

Canal Convergence Funding Request



City Council Meeting
June 27, 2017

Background



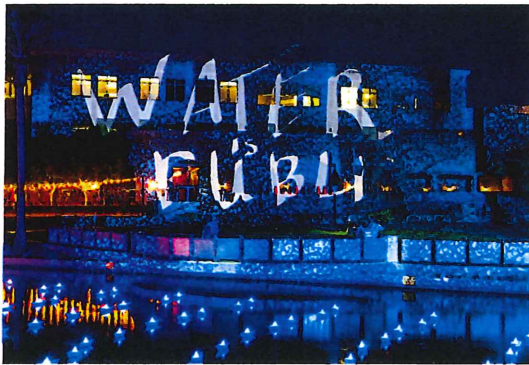
- Canal Convergence has become a point of pride for Scottsdale
- Tourism Strategic Plan outlined importance of creating a destination event
- Three-phased destination event study

Background



- Activate Downtown Scottsdale, increase foot traffic and activities
- Raise Scottsdale's international profile and reputation as a destination
- Expand tourism into the shoulder season

Background



- In-depth discussions about potential to be shoulder season destination event
- Shared interest between Scottsdale Arts and the City of Scottsdale
- Concept and funding request unanimously recommended by Tourism Development Commission and Tourism Advisory Task Force

Analysis & Assessment



- More than 80,000 attendees
- Exciting way in how Scottsdale celebrates the arts
- Webb Report noted gaps within major events that take place, particularly in the areas of art, food and culture

Analysis & Assessment



City's marketing research consultant concluded:

- Canal Convergence has potential to be a differentiator
- Requires significant additional funding from sponsorship and grants
- Could contribute to branding efforts and serve as a significant tourism driver
- Tremendous capacity for a multi-faceted 10-day event that comprises a high demographic audience

Temporary Art Installations and Canal Convergence Expenditures

Item	Event Date	FY 2017/18
Temporary Art Installation - Canal	Nov 2017-Mar 2018	\$100,000
Temporary Art Installation - Holiday	Nov-Dec 2017	60,000
Canal Convergence — 4 days	Two weekends Feb/Mar 2018	340,000
Contract w/ International Artists for November 2018 Canal Convergence		150,000
		\$650,000

- Proposed \$650,000 would remain in the city's Tourism & Events budget, which will reimburse Scottsdale Arts for expenses made by Public Art.
- With exception of \$150,000 to seed International artists, no other funding for the November 2018 Canal Convergence is being proposed at this time.

Requested Action

Adopt Resolution No. 10821 authorizing a fiscal year 2017/18 Tourism Development Fund operating contingency transfer in the amount of \$650,000 to the Tourism and Events Department operating budget for use in supporting the 2018 Canal Convergence events.

Item 27

FY 2017/18 Proposed Rates & Fees Changes

City Council
June 27, 2017 City Council Meeting June 27, 2017

Rates & Fees – May 23rd Meeting

Enterprise	
Water Resources	\$4,200
Non-Enterprise	
C&ED - Planning & Development	38,285
C&ED – Tourism & Events	(600)
Community Services	137,338
Total Revenue	\$179,223

Enterprise - Water Resources

Service Charges	Fee Assessed	Current FY 2016/17 Fee	Proposed FY 2017/18 Fee	Change in Fee per User	Revenue Change	Comment
Commercial Water Hauler Capital Recovery	per customer/ per month	-	\$10	\$10	\$1,200	New fee is estimated to result in 120 transactions a year.
Residential Water Hauler Capital Recovery	per customer/ per month	-	\$5	\$5	\$3,000	New fee is estimated to result in 600 transactions a year.
Additional Water Fund Revenue					\$4,200	

These charges were presented and adopted on May 23rd.
This action clarifies language in City Code.

C&ED – Planning & Development

Wireless Communications Facilities in Right-of-Way

- Proposed increase of 3% for all installations

Additional General Fund revenue of **\$38,285** for FY 2017/18

C&ED – Planning & Development

- Ordinance No. 7983 states that the City Council is authorized to establish fees for wireless communications facilities and may adjust these fees on an annual basis.
- Since its adoption in 2009, the fee schedule has been increased each year by 3%.
- Licenses and leases for wireless communication sites on City property have annual escalators set at 5% of the annual rent.
- The 3% increase being proposed is consistent with lease payments in the wireless industry.

C&ED – Tourism & Events

On Street Parking Space Closure Fee:

- Changes fee per closed parking spot from \$60 to \$30 per day.
- Cost to close 5 parking spots was more than closing the street.
- Fee change is designed to encourage keeping streets open if possible when an event doesn't warrant a total closure.

Reduction to General Fund revenue of **(\$600)** for FY 2017/18

Community Services

Annual review of Programming and Rental Fees Schedule resulted in the following proposals:

Scottsdale Sports Complex:

- Implement a lower 5K event vendor fee
- Increase fees for standard and custom soccer field prep

Club SAR Fitness Center:

- Increase daily drop-in rate for residents and non-residents

Special Events:

- Develop Fast Pass for Mighty Mud Mania event

Youth Sport Field Allocation (YSFA) Field Rental:

- Increase field rental fee

Additional/New General Fund revenues of **\$29,338** for FY 2017/18

Additional Special Programs Fund revenues of **\$108,000** for FY 2017/18

FY 2017/18 Rates & Fees Adoption

- **Adopt Ordinance No. 4316**, amending Scottsdale Revised Code, Chapter 49, Water, Sewers and Sewage Disposal by adjusting miscellaneous water charges, effective November 1, 2017.
- **Adopt Resolution No. 10839**, authorizing Planning & Development rates and fees for wireless communication facilities in the right of way, effective August 1, 2017.
- **Adopt Resolution No. 10823**, authorizing Special Event Fees, effective August 1, 2017.
- **Adopt Resolution No. 10830**, approving and adopting the Community Services division schedule of program charges, rental fees and fines, effective August 1, 2017.

C&ED – Planning & Development

Program/Fee	Fee Assessed	Current FY 2016/17 Fee	Proposed FY 2017/18 Fee	Change in Fee per User	Revenue Change	Comment
Wireless Communications Facilities:						
Wireless Communication Facilities (WCF) in Right-of-Way (ROW)	per facility/per year	Various	Various	Various	\$38,285	Proposed increase of 3% for all installations
Total Additional General Fund Revenue					\$38,285	

C&ED – Tourism & Events

Program/Fee	Fee Assessed	Current FY 2016/17 Fee	Proposed FY 2017/18 Fee	Change in Fee per User	Revenue Change	Comment
On Street Parking Space Closure Fee:						
Parking Space Closure Fee	per parking spot	\$60	\$30	(\$30)	(\$600)	Provides incentive to keep street open and only close parking spots.
Total General Fund Revenue					(\$600)	

Community Services

Program/Fee	Fee Assessed	Current FY 2016/17 Fee	Proposed FY 2017/18 Fee	Change in Fee per User	Revenue Change	Comment
Scottsdale Sports Complex:						
5K specific vendor fee	per half day	\$100 (For two days)	\$25	(\$75)	\$100	More users will purchase at reduced rate because 5K only lasts for 1/2 day
Field Prep Fee - Standard Soccer	per field	\$50	\$75	\$25	\$6,900	Standard field line configuration and colors
Field Prep Fee - Custom	per field	\$75	\$115	\$40	\$2,560	Any non-standard field line configuration and colors
Total Additional General Fund Revenue					\$9,560	

Program/Fee	Fee Assessed	Current FY 2016/17 Fee	Proposed FY 2017/18 Fee	Change in Fee per User	Revenue Change	Comment
Club SAR Fitness Center:						
Daily Drop-In Fee (resident)	per day	\$3	\$4	\$1	\$14,756	Daily cost for Scottsdale resident who is a non-member to use the facility
Daily Drop-In Fee (non-resident)	per day	\$5	\$6	\$1	\$22	Daily cost for non-Scottsdale resident who is a non-member to use the facility
Total Additional General Fund Revenue					\$14,778	

Community Services

Program/Fee	Fee Assessed	Current FY 2016/17 Fee	Proposed FY 2017/18 Fee	Change in Fee per User	Revenue Change	Comment
Special Events:						
Fast Pass for Mighty Mud Mania	per event	\$0	\$10	\$10	\$5,000	Last year a pilot program was run, this will be a permanent optional fee moving forward
Total Additional General Fund Revenue					\$5,000	

Program/Fee	Fee Assessed	Current FY 2016/17 Fee	Proposed FY 2017/18 Fee	Change in Fee per User	Revenue Change	Comment
Youth Sport Field Allocation (YSFA):						
YSFA Field Rental Fee	per hour	\$3	\$5	\$2	\$108,000	Fee increase for YSFA partner organizations to rent fields allowing for the recovery of some of the cost for upkeep and maintenance
Total Additional Special Programs Fund Revenue					\$108,000	

FY 2017/18 Property Tax Levies and Rates

June 27, 2017 City Council Meeting

Property Taxes *(\$ in millions, except rate)*

Primary	GF		Statutory Adjustment	Total GF		Tort Recovery	Total Primary Levy		Primary Assessed Valuation	Primary Rate
	Primary Levy	Growth		Primary Levy						
Prior (FY16/17)	\$26.3	\$0.4	\$ -	\$26.4	\$1.0	\$27.4		\$5,398.9	\$0.5071	
Tentative (FY17/18)	\$26.4	\$0.3	\$0.5	\$27.2	\$1.0	\$28.2	3.2%	\$5,698.7	5.6%	\$0.4956 -2.3%

Secondary	Debt Service		Debt Service Reserve	Total Secondary Levy		Secondary Assessed Valuation	Secondary Rate	
Prior (FY16/17)	\$34.1		(\$0.5)	\$33.6		\$5,398.9	\$0.6219	
Tentative (FY17/18)	\$34.2		(\$0.6)	\$33.6	-0.1%	\$5,698.7	5.6%	\$0.5889 -5.3%

Total	Total Levy		Total Rate
Prior (FY16/17)	\$61.0		\$1.1290
Tentative (FY17/18)	\$61.8	1.4%	\$1.0845 -3.9%

Rounding differences may occur

Action

Adopt Ordinance No. 4312 assessing the FY 2017/18 primary and secondary property tax levies and fixing the primary and secondary property tax rates.

Item 29

**FY 2017/18
Streetlight Improvement
Districts Property Tax Levies**

June 27, 2017 City Council Meeting

Background

	FY 2016/17	FY 2017/18
Beginning Estimated Fund Balance	\$12,190	\$25,469
Plus: Streetlight District Levy	601,736	584,519
Less: Estimated Streetlight Energy Costs	(588,457)	(588,457)
Ending Estimated Fund Balance	\$25,469	\$21,531

355 Streetlight Districts, approximately 33,750 properties

Action

Adopt Ordinance No. 4311 assessing the
FY 2017/18 streetlight property tax levies
by district.

Item 30

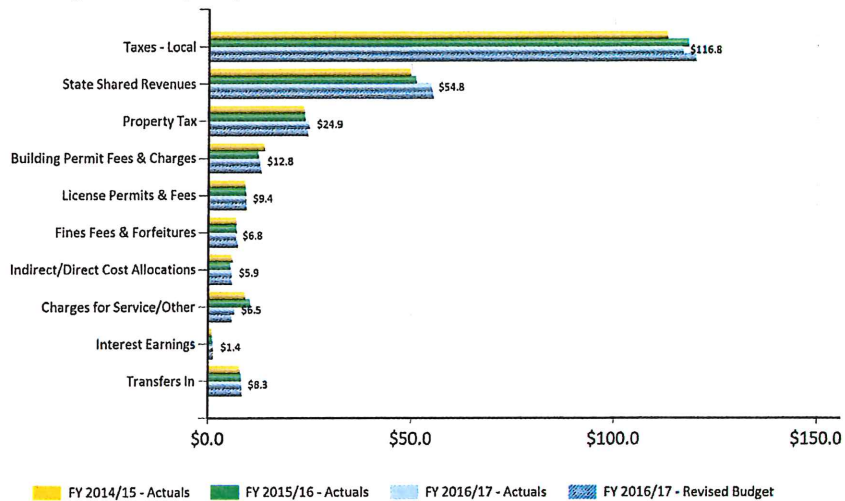
Monthly Financial Update As of May 31, 2017

City Council
June 27, 2017



General Fund Operating Sources May 2017: Fiscal Year to Date

(in millions: rounding differences may occur)



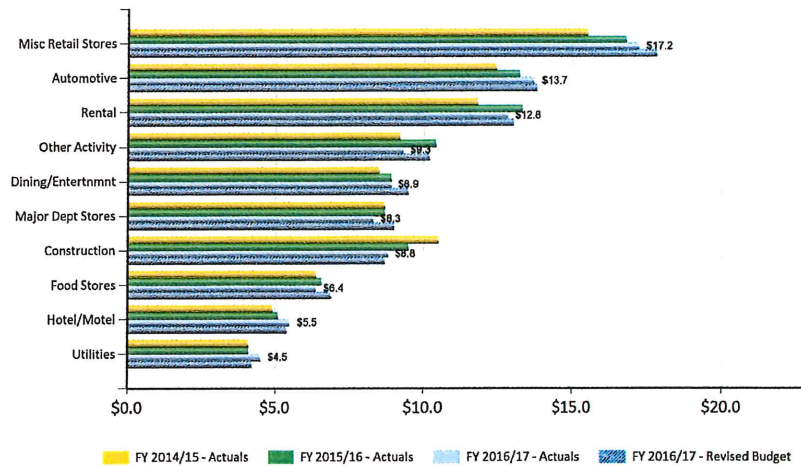
General Fund Operating Sources May 2017 : Fiscal Year to Date

(in millions: rounding differences may occur)

	FY 2014/15	FY 2015/16	FY 2016/17	FY 2016/17	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Taxes - Local	\$113.0	\$118.1	\$116.8	\$120.0	(\$3.2)	(3%)
State Shared Revenues	49.7	50.9	54.8	55.2	(0.4)	(1%)
Property Tax	23.6	23.9	24.9	24.5	0.3	1%
Building Permit Fees & Charges	13.9	12.4	12.8	13.1	(0.3)	(2%)
License Permits & Fees	9.1	9.4	9.4	9.4	-	-
Fines Fees & Forfeitures	6.9	7.0	6.8	7.3	(0.5)	(6%)
Indirect/Direct Cost Allocations	5.9	5.5	5.9	5.9	-	-
Charges for Service/Other	9.3	10.5	6.5	5.9	0.7	12%
Interest Earnings	1.0	1.2	1.4	1.3	0.1	8%
Transfers In	7.9	8.3	8.3	8.4	(0.1)	(1%)
Total Sources	\$240.4	\$247.1	\$247.6	\$251.1	(\$3.5)	(1%)

General Fund Operating Sources: Sales Tax May 2017 : Fiscal Year to Date

(in millions: rounding differences may occur)



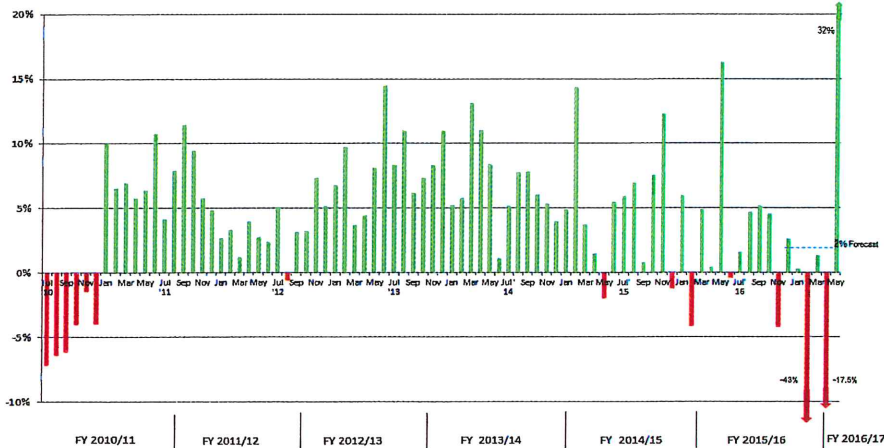
General Fund Operating Sources: 1% Sales Tax May 2017 : Fiscal Year to Date

(in millions: rounding differences may occur)

	FY 2014/15	FY 2015/16	FY 2016/17	FY 2016/17	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Misc Retail Stores	\$15.5	\$16.8	\$17.2	\$17.8	(\$0.6)	(3%)
Automotive	12.4	13.2	13.7	13.8	(0.1)	(1%)
Rental	11.8	13.3	12.8	13.0	(0.2)	(1%)
Other Activity	9.2	10.4	9.3	10.2	(0.8)	(8%)
Dining/Entertnmnt	8.5	8.9	8.9	9.5	(0.6)	(6%)
Major Dept Stores	8.7	8.7	8.3	9.0	(0.7)	(8%)
Construction	10.5	9.5	8.8	8.7	0.1	2%
Food Stores *	6.4	6.6	6.4	6.9	(0.5)	(7%)
Hotel/Motel	4.9	5.1	5.5	5.4	0.1	2%
Utilities	4.1	4.1	4.5	4.2	0.3	7%
Sales Tax Total	\$92.0	\$96.5	\$95.4	\$98.3	(\$3.0)	(3%)

*YTD CIP transfer = \$2.1 million

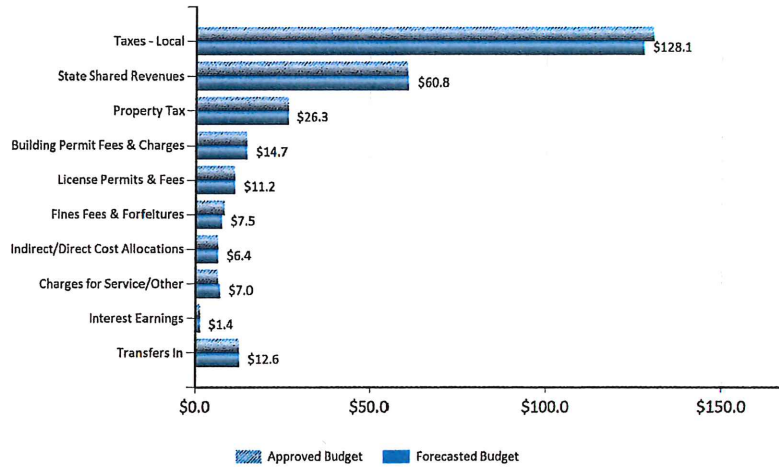
General Fund 1% Sales Tax Year over Year Change



*Arizona Department of Revenue (ADOR) took over administration, collection and reporting of transaction privilege sales tax as of January 1, 2017. Payments from ADOR are received weekly rather than daily, with the final week in each month being reported in the following month's revenue numbers. As a result, beginning in February, this has caused the revenue year over year to wildly fluctuate. November 2016 reduced year over year sales tax collections primarily due to large overpayment for construction contractor (corrected in December).

General Fund Operating Sources May 2017 : Year-End Estimate

(in millions: rounding differences may occur)



General Fund Operating Sources May 2017 : Year-End Estimate

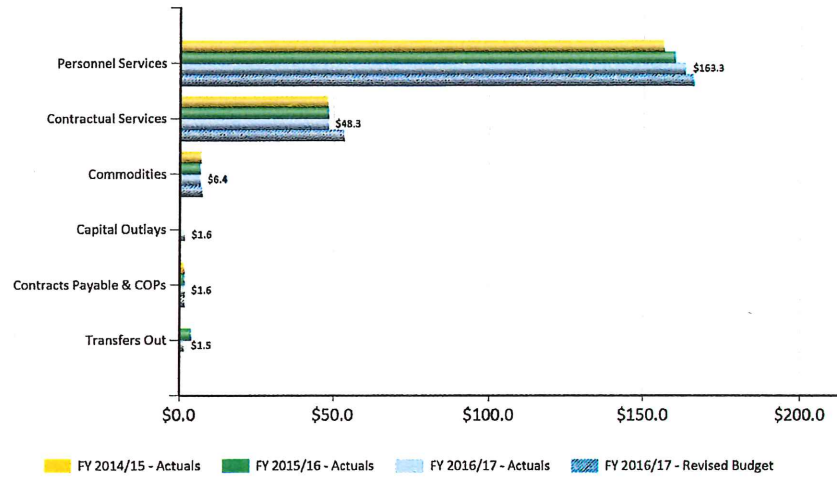
(in millions: rounding differences may occur)

	FY 2016/17		Approved vs. Forecast	
	Approved	Forecast*	Favorable / (Unfavorable) Amount	Percent
Taxes - Local	\$130.7	\$128.1	(\$2.7)	(2%)
State Shared Revenues	60.5	60.8	0.2	0%
Property Tax	26.4	26.3	-	-
Building Permit Fees & Charges	14.7	14.7	-	-
License Permits & Fees	11.2	11.2	-	-
Fines Fees & Forfeitures	8.1	7.5	(0.7)	(8%)
Indirect/Direct Cost Allocations	6.4	6.4	-	-
Charges for Service/Other	6.3	7.0	0.7	11%
Interest Earnings	1.4	1.4	-	-
Transfers In	12.5	12.6	-	-
Total Sources	\$278.3	\$275.9	(\$2.4)	(1%)

*Forecast as of 06-07-2017.

General Fund Operating Uses: by Category May 2017 : Fiscal Year to Date

(in millions: rounding differences may occur)



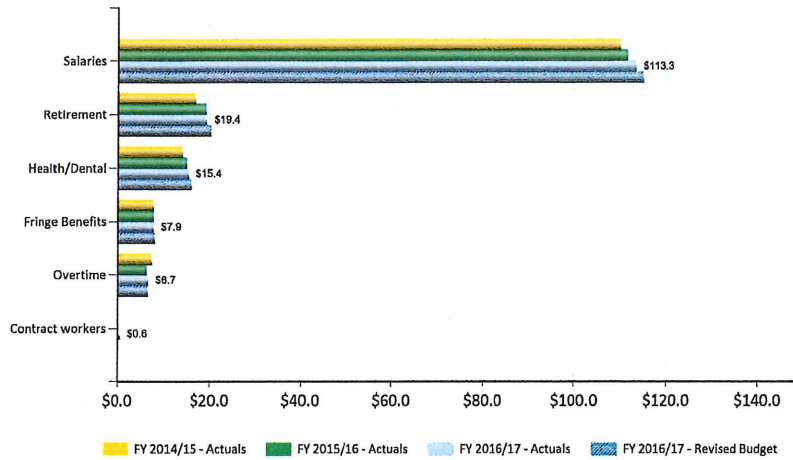
General Fund Operating Uses: by Category May 2017 : Fiscal Year to Date

(in millions: rounding differences may occur)

	FY 2014/15	FY 2015/16	FY 2016/17	FY 2016/17	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Personnel Services*	\$156.6	\$160.1	\$163.3	\$165.9	\$2.6	2%
Contractual Services	48.0	48.3	48.3	53.3	5.1	10%
Commodities	6.7	6.3	6.4	7.0	0.6	9%
Capital Outlays	0.3	0.3	1.6	0.3	(1.3)	nm
Contracts Payable & COPs	1.6	1.6	1.6	1.6	-	-
Transfers Out	-	3.7	1.5	-	(1.5)	n/a
Total Uses	\$213.2	\$220.3	\$222.7	\$228.2	\$5.6	2%
*Pay Periods thru May:	24	24	24			

General Fund Operating Uses: Personnel Services May 2017 : Fiscal Year to Date

(in millions: rounding differences may occur)



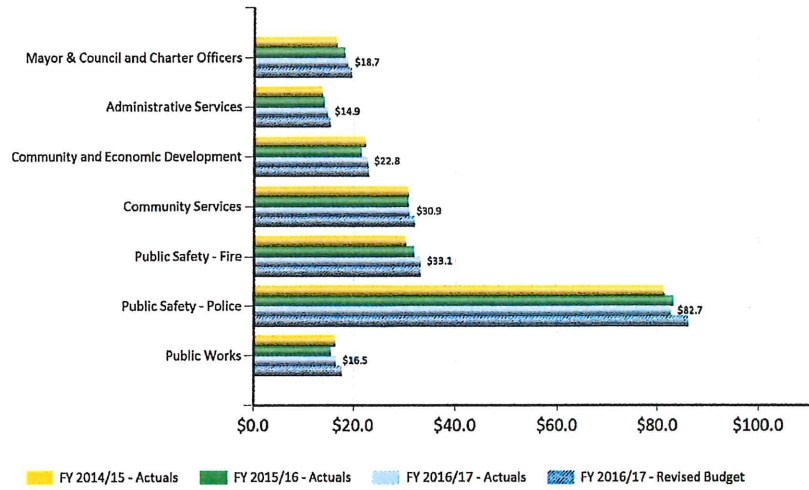
General Fund Operating Uses: Personnel Services May 2017 : Fiscal Year to Date

(in millions: rounding differences may occur)

	FY 2014/15	FY 2015/16	FY 2016/17	FY 2016/17	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Salaries*	\$109.9	\$111.4	\$113.3	\$114.9	\$1.6	1%
Retirement	17.0	19.3	19.4	20.3	0.9	4%
Health/Dental	14.1	15.0	15.4	15.9	0.5	3%
Fringe Benefits	7.9	7.9	7.9	8.1	0.1	2%
Overtime	7.4	6.4	6.7	6.6	(0.1)	(1%)
Contract workers	0.2	0.2	0.6	0.2	(0.4)	nm
Personnel Services Total	\$156.6	\$160.1	\$163.3	\$165.9	\$2.6	2%
*Pay Periods thru May:	24	24	24			

General Fund Operating Division Expenditures May 2017 : Fiscal Year to Date

(in millions: rounding differences may occur)



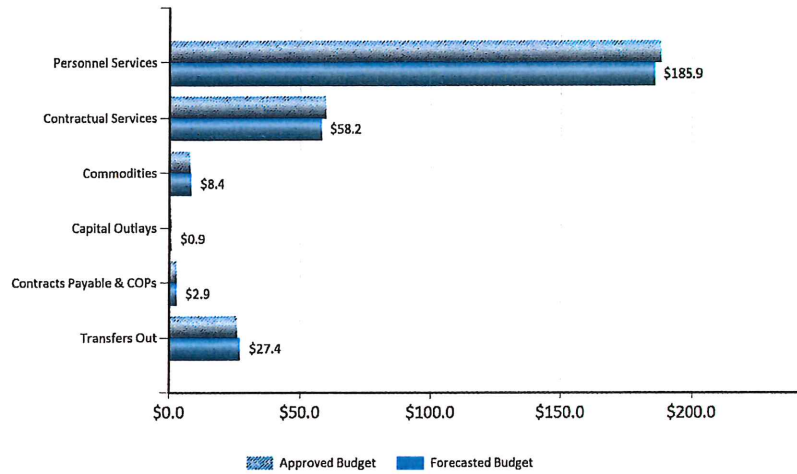
General Fund Operating Division Expenditures May 2017 : Fiscal Year to Date

(in millions: rounding differences may occur)

	FY 2014/15	FY 2015/16	FY 2016/17	FY 2016/17	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Mayor & Council and Charter Officers	\$16.6	\$18.2	\$18.7	\$19.6	\$0.8	4%
Administrative Services	13.8	14.2	14.9	15.3	0.5	3%
Community and Economic Development	22.3	21.4	22.8	22.9	0.2	1%
Community Services	30.8	30.7	30.9	31.9	1.0	3%
Public Safety - Fire	30.4	31.8	33.1	33.1	-	-
Public Safety - Police	81.3	83.2	82.7	86.1	3.5	4%
Public Works	16.4	15.5	16.5	17.7	1.1	6%
Total	\$211.6	\$215.0	\$219.6	\$226.7	\$7.1	3%

General Fund Operating Uses May 2017 : Year-End Estimate

(in millions: rounding differences may occur)



General Fund Operating Uses May 2017 : Year-End Estimate

(in millions: rounding differences may occur)

	FY 2016/17	FY 2016/17	Approved vs. Forecast	
	Approved	Forecast*	Favorable / (Unfavorable)	
			Amount	Percent
Personnel Services**	\$188.4	\$185.9	\$2.5	1%
Contractual Services	59.8	58.2	1.6	3%
Commodities	8.1	8.4	(0.3)	(4%)
Capital Outlays	0.9	0.9	-	-
Contracts Payable & COPs	2.9	2.9	-	-
Transfers Out	26.2	27.4	(1.2)	(5%)
Total Uses	\$286.2	\$283.7	\$2.6	1%

*Forecast as of 06-20-2017.

**Includes budgeted vacancy savings net of leave accrual payouts, up to 3% pay for performance, up to 5% pay for performance for those in the Step Program, and compensation adjustments.

General Fund Results: Summary

May 2017 : Fiscal Year to Date

(in millions: rounding differences may occur)

	FY 14/15	FY 15/16	FY 16/17	FY 16/17 Budget	Actual vs. Budget	
	Actual	Actual	Actual		Fav/(Unf)	%
Sources	\$240.4	\$247.1	\$247.6	\$251.1	(\$3.5)	(1%)
Uses	213.2	220.3	222.7	228.2	5.6	2%
Change in Fund Balance	\$27.2	\$26.8	\$24.9	\$22.9	\$2.1	

General Fund Results: Summary

May 2017 : Year-End Estimate

(in millions: rounding differences may occur)

	FY 16/17	FY 16/17	Variance	
	Approved	Forecast	Fav/(Unf)	%
Sources	\$278.3	\$275.9	(\$2.4)	(1%)
Uses	286.2	283.7	2.6	1%
Change in Fund Balance	(\$7.9)	(\$7.8)	\$0.2	
Ending Undesignated, Unreserved Fund Balance	\$24.0	\$24.1		