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CALL TO ORDER

[Time: 00:00:05]

Mayor Ortega: I call the July 1st, 2021, city council regular meeting to order. City clerk Ben Lane, will you please conduct the roll call.

ROLL CALL

[Time: 00:00:16]

Clerk Ben Lane: Thank you, Mayor. Mayor David Ortega.

Mayor Ortega: Present.

Clerk Ben Lane: Vice Mayor Betty Janik.

Vice Mayor Janik: Present.

Clerk Ben Lane: Councilmembers Tammy Caputi.

Councilmember Caputi: Here.

Clerk Ben Lane: Tom Durham.

Councilmember Durham: present.

Clerk Ben Lane: Kathy Littlefield.

Councilmember Littlefield: Present.

Clerk Ben Lane: Linda Milhaven.

Councilmember Milhaven: Here.

Clerk Ben Lane: Solange Whitehead.

Councilmember Whitehead: Here.

Clerk Ben Lane: City Manager Jim Thompson.

Jim Thompson: Here.

Clerk Ben Lane: City Attorney Sherry Scott.

Sherry Scott: Here.

Clerk Ben Lane: City Treasurer Sonia Andrews.

Sonia Andrews: Here.

Clerk Ben Lane: City Auditor Sharron Walker.

Sharron Walker: Here.

Clerk Ben Lane: And the Clerk is present. Thank you, Mayor.

[Time: 00:00:46]

Mayor Ortega: We have Scottsdale Police Officers, and firefighter, Ray Igliani if anyone needs assistance. Let's start with the Pledge of Allegiance, Vice Mayor Janik.

Vice Mayor Janik: 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 Ortega: Well, hooray for the Phoenix suns. We have a lot to crow about. Hey, I have a

proclamation in honor of our Phoenix suns. And the suns are headed to the NBA finals for the first time since 1993, and the third time in their history. Scottsdale enthusiastically joins the valley in cheering on the Phoenix suns in their quest to bring home the championship trophy for the first time.

This season, the suns have helped to increase community spirit and pride as we galvanize around their hard-fought bid to be basketball's next world champions. Therefore, I, David Ortega, mayor of Scottsdale do hereby proclaim the month of July 2021 as Phoenix suns month! That's why I wore orange too. Okay?

Well, on a more serious note, the city of Scottsdale and Scottsdale fire department is calling on citizens to please limit their use of consumer fireworks. There are multiple wildfires burning across the state, and in imminent damage of brush fires due to the dry conditions that we are facing. Instead, we encourage you to attend a professional fireworks show, such as the one at WestWorld.

For the eighth year, the Scottsdale 4th of July celebration will be held at WestWorld from 4 to 9 p.m. This great family-friendly event will feature food, fun, live entertainment, and the largest 4th of July fireworks in Scottsdale history. For more information and to purchase tickets, visit WestWorld's website at WestWorldaz.com. Thank you, Scottsdale citizens, for taking our current severe, dry, environmental conditions into consideration.

PUBLIC COMMENT

[Time: 00:03:52]

Mayor Ortega: At this point, I would ask for public comment. Public comment is reserved for Scottsdale citizens to comment on non-agendized items that are within the council's jurisdiction, but are not agendized. No official council action can be taken on these items, and speakers are limited to three minutes to address the council. We did not receive any requests for public comment telephonically. I don't know in the clerk has received any others since then. Seeing none, I will now close public comment.

MINUTES – MOTION AND VOTE

[Time: 00:05:14]

Mayor Ortega: Next, we will go to our minutes. We have approval of the minutes. There are several. If there are any revisions -- I request a motion to approve the regular meeting minutes of May 18, 2021, special meeting minutes of June 1st, 2021, executive session minutes of June 1st, 2021, and work study session minutes of June 1st, 2021, and regular meeting minutes of June 8th, 2021, special meeting minutes of June 8th, 2021. Do I have a motion?

Vice Mayor Janik: I so move.

Councilmember Littlefield: Second.

Mayor Ortega: I have a motion and a second, by Councilmember Janik and Councilmember Whitehead. Please register your vote. Thank you. Thank you.

CONSENT AGENDA

[Time: 00:05:42]

Mayor Ortega: Moving on, we will now go to our consent agenda items. Those are listed as one through 18b, however, item 18b has been withdrawn by the staff. So we are considering on the consent agenda a motion, items 1 through 18a. Are there any comments regarding the consent agenda items? Telephonically or in person?

Clerk Lane: Mayor, French Thompson would like to comment on item 15.

Mayor Ortega: Yes, I do believe we have one. So we have one from French Thompson in person. Please come forward.

French Thompson: Good evening, Mayor and city councilmembers. You know, my knowledge of the consent agenda is so we can just pass a whole bunch of things at one time, and don't really talk about 'em, and in number 15, in another line it says, consider pilot to temporary close to turn some old town streets into a walk-only zone for one weekend per month.

I don't know how many creative ways the city can try to figure out how to help put the businesses out of business. This has been brought up time and time again, and the businesses say this is not good for business. So it's a betrayal for all the businesses and all the time that have come up in front of you and previous city councils to say, this is not a good idea.

Other cities have tried it and it failed. Just go look at 15th street mall. Unless you just want Starbucks on every corner, and a bunch of businesses to go out of business, this is just not a good idea. And it -- it's starting to look like revenge for us business people coming to the city council and saying these things aren't good.

How this gets into the city council's agenda -- consent agenda just boggles my mind, because could you just blip and say, hey, we're going to shut down the streets in old town for a weekend a month. You know, I can't afford to have a weekend taken away from me. There's only four of them in a month. So I just ask you, seriously, think about what happens to other cities when you close down streets. I don't want to see that happen in Scottsdale. Thank you.

Mayor Ortega: Thank you. Thank you, French. We have comments from our Councilwoman Whitehead and then Councilwoman Littlefield.

Councilmember Whitehead: I just want to speak to item number 4, and I'm not pulling it from the consent. There's been a lot of citizen input on Miller road, the Miller road extension, and I just want to

say that we appreciate all the comments and our staff has made a lot of changes because of citizen comments, including reducing the speed limit from 45 to 35, and ensuring at that time trees and the medians in the road will remain, and just today, staff did a really thorough email explaining the process, explaining the timeline, explaining when citizens will have input on decisions that have not yet been made. So I appreciate it. I appreciate staff and I appreciate citizen comments. Thank you.

Mayor Ortega: Councilman Littlefield and then Vice Mayor Janik.

Councilmember Littlefield: Thank you. I would like to pull item 15 off consent, please.

Mayor Ortega: Thank you. And Vice Mayor Janik.

[Time: 00:10:01]

Vice Mayor Janik: I would agree with Councilwoman Littlefield. I think that we need to do a better job reviewing what we had agreed to, but I also think that we need to give the community time to make comments on this before we begin to consider it.

And just -- just a comment from me is that inexperienced as a council people, and some of other counsel people, and we don't know all the history of what has been tried and what has been failed. Don't think that we are trying to work against anything in old town Scottsdale. We want old town Scottsdale to thrive, and we are happy to listen to you to get more advice on it, on things that have been tried.

But it's not out of a sense of being malicious or trying to beat anybody down. It's more inexperience on our part than a deliberate attempt to hurt anybody. So I kind of wanted to share that with everybody. Thank you.

Mayor Ortega: Thank you. You know, we still have these partitions between us and I just want to be clear, with Councilwoman Whitehead, regarding number 4, did you want that pulled also?

Councilmember Whitehead: No, I don't. I want to thank the citizens and staff. Thank you.

Mayor Ortega: Okay. Then at this point, I would be open to a motion on the consent agenda items, excluding item number 15, and, of course, 18 is not on -- has already been pulled. Councilwoman Littlefield.

Councilmember Littlefield: I would like to make a motion to approve consent items 1 through 18b with the exception of 15.

Mayor Ortega: And just to clarify, 1 through 18a.

Councilmember Littlefield: Yes, 18b was withdrawn.

Mayor Ortega: And I saw a second.

Vice Mayor Janik: I second that.

Mayor Ortega: We have a motion and a second. Please register your vote. Thank you.

ITEM 15 – ORGANIZATIONAL STRATEGIC PLAN

[Time: 00:12:42]

Mayor Ortega: Next, we will move on to regular agenda items 19 through 21, however, we are going to be discussing fully agenda item number 15 if we can have a presentation on item 15, which was the strategic plan.

Brent Stockwell: Good evening mayor and city council. My name is Brent Stockwell. I'm one the assistant city managers here. This item here is a follow-up item from your work study session on June 1st, where you reviewed a much longer list of potential priorities and identified a number of them. We fleshed them out in more detail, provided them here. There are nine here.

These were the nine that you had either given three or more dots at the June 1st meeting. So this is your priorities and your strategic plans. So if there's any adjustments, I'm happy to make adjustments. And I'm happy to answer any questions you have about this. Thank you.

Mayor Ortega: Councilwoman Littlefield.

Councilmember Littlefield: Thank you, mayor. Well, since I pulled it, I guess I better say something as to why I pulled it. I was reading through all of the different things that the council had suggested that we look at through an organizational strategic plan, and when I came to this one, it just blew me away. It says, consider a pilot to temporarily turn some old town streets into walk-only zones for one weekend per month.

In other words, no cars allowed. People can't travel there. That closes old town. This is such a controversial break from your neighborhood. It's such a controversial outreach as to how we're going to destroy old town. I don't know.

Is this something that we're getting even because we did the transportation master plan? It makes no sense whatsoever to stop traffic from coming to old town on a weekend which is when they do most of their business, on weekends. I can't go with this, and we need to have a lot more discussion on this item. I think it's very controversial. I have had a number of people call me and talk to me for quite literally hours on end about this. And they are outraged. I'm surprised there's only one person here tonight. Thank you, French.

But I can't imagine anything we could do in the old town area that would outrage more of our business owners down there throughout the entire downtown old town, than doing something like this. It's absolutely ridiculous. And there's no way I can support this plan as long as that's in it. Thank you.

Mayor Ortega: Thank you. We have Councilmember Durham and then Councilmember Milhaven, followed by Councilwoman Whitehead. Councilmember Durham.

Councilmember Durham: Well, I think I was the one who added this item about closing down streets temporarily is the keyword because I have seen it done in many places, San Francisco, New York, very, very common in European cities to have pedestrian walking areas that brings in loads of tourists for street fairs and dining in the streets.

No one is talking about closing down old town, and there are many people in old town who do support this. I have talked to some who think it would be a great idea to have street fairs, food truck fairs, dining fairs that would bring people into old town. So we're not talking about closing down old town to traffic. I would never want to do this.

[Time: 00:16:49]

This could be used for different types of events that would bring people into downtown Scottsdale. That's the idea is to bring more people into downtown Scottsdale. And I would like to keep it on this list. No one is taking we will do it tomorrow or this weekend or whatever. It wouldn't be done without a lot of cooperation from people in the old town.

And if it's ultimately determined that it wouldn't work or it was too unpopular, well, we wouldn't do it. So I see no reason to take it away from this list. I do agree, I might defer for further consideration of the list, just because more people will have time to look at it, more input from citizens. So I wouldn't mind deferral of the list, but I would not want to remove that item on the potentiality of street fairs or? Types of -- potentiality of street fairs or other types of events.

Mayor Ortega: Councilwoman Milhaven.

Councilmember Milhaven: It says consider a pilot. We are a long way away from closing streets. I was approached by downtown owners who would like to consider closing their street. And I said what is your neighbors going to be? We know it's a heavy lift because everybody on the street is going to have to agree and see the value of it.

And I think it's worth allowing him to pursue with his neighbors, as councilman Durham or street fairs or patios that would make the streets more attractive and bring more people, frankly, downtown, but we are a long way away from closing streets without business owners and property owners being in support of it. I think it's certainly worth having a conversation and allowing folks to pursue it.
Thank you.

Mayor Ortega: Councilwoman Whitehead and then Councilwoman Caputi.

Councilmember Whitehead: Yeah, I think we might want to consider some language that clarifies what we have in mind, maybe it's just the language. First of all, consider is the first word and so that right

then and there make everybody at ease. But secondly, perhaps the way it was worded wasn't thoughtful enough in that we are not closing old town. We are not closing old town for an entire weekend.

Perhaps what we want to do is change the wording to indicate that we are considering designating some streets or alleys for a couple of hours, you know, as a pilot program, but it's with -- with input from the citizens. This is, again, something that we have not made a decision. And it was definitely in response to positive input that I received from business owners that discuss having alleys behind their properties converted to pedestrian boulevards.

It was in response to businesses on Craftsman Court who indicated a small part of Craftsman Court might be a good place for some type of event during -- like an afternoon on the weekends. And it was in response to Experience Scottsdale, they received feedback when they asked returning visitors what do you think Scottsdale needs more of. One of the -- I guess one of the common responses they get is increased walkability. Increased things to do while you are on the street. And so that's the basis of my interest in looking into this, and certainly we are not closing down the art gallery.

And maybe we just -- or the art gallery, main street. Just better clarify what we are looking to do, a very limited closure that may include an alley or a street, and also this is something we are exploring. You can't always win when you go out and you explore new ideas, but you should always try, because we can always get better. So thanks.

[Time: 00:21:12]

Mayor Ortega: Councilwoman Caputi and Vice Mayor Janik and then myself.

Councilmember Caputi: I agree with most of the comments that my colleagues made. I was a little shocked that this was controversial. I didn't realize it was controversial. Most of the businesses I heard from downtown, and I have spoken with quite a few, suggested that it would be desirable to have more customers walking by than having more cars driving to our downtown.

What business owner wouldn't want more walk-by traffic? I would think that that would increase the business for all of our downtown business owners and we are certainly not taking revenge on our downtown businesses. Our goal is to increase business and walkability downtown. I'm pretty sure that's what we are all looking to do. If you look at all of our goals, it's sustainability, walkability, more vibrant downtown.

We are trying to increase sustainability and advance transportation, provide more meaningful space and enhance our neighborhoods. These are these types of ideas with maybe bringing more walkability in our downtown. We are exploring options to increase the vitality of our downtown businesses. Think it's a great idea. Thank you.

Mayor Ortega: Vice Mayor Janik.

Vice Mayor Janik: I too received some complaints about the way this is stated, and I consider where

people would say, whoa, what are you trying to do. And what I would suggest is that we would say consider a pilot to turn old town streets into more walkable zones to encourage more foot traffic and business with focused activities in certain area in downtown. There's no way we want to impede any type of business in downtown. Thank you.

Mayor Ortega: Okay. Well, I think as we look at this, there was an exercise by our council and there were other five star and six star items in the strategic plan. The plan is reviewed about every two years. So there are different -- if you look at the content, there are many that will never be addressed in the fear future.

I will say that because there are scores of these ideas. I do want to reference again being there 40 years. And at one point they had thieves market. That's when they set up tents and ate up parking spaces. And they turned that into -- you could still drive your car through there, but what that did is it replaced the vendor or the store with a vendor outside.

So there were vendors selling jewelries in tents and other goods in tents and so forth, competing with the businesses that are there year round. And that did eventually shut down. It was in direct competition with a permanent business.

In my opinion, it would be better just to -- in my opinion just say this is the lowest priority because one can look into it. This is only considering it. I don't think it rises to the stop. I would move -- rises to the top. I would move to delete that item. I think there are other ways to think that through and even look at -- you know, it costs money to close off streets. You have to have police. You have to have detour signs. You have to have alternate parking to make something work.

So it's much more than just saying we will put some cones at the end of the road and block it off and somehow you will find a parking space when those two or three blocks of parking are eliminated.
Councilwoman Whitehead.

[Time: 00:25:36]

Councilmember Whitehead: Well, I guess that's an option. I was very impressed with what Vice Mayor Janik suggested.

Mayor Ortega: Okay. So if you want to repeat that and make it a motion, I think that we could do that. We could consider it.

Vice Mayor Janik: Okay. I would like to make a motion to change the bullet under value Scottsdale's unique lifestyle and character, it's bullet number five, consider pilot to temporarily turn old town streets and encourage more traffic -- more foot traffic focused open enhanced businesses with specific entertainment activities.

Councilmember Whitehead: I will second that motion.

Mayor Ortega: Thank you. We have a motion and a second. Councilmember Durham? Did you have a comment?

Councilmember Durham: Yes. Sorry. Thank you, mayor. The downtown 2.0 study which I been reading said it's events which attract tourists more so than storefronts. So I like Vice Mayor Janik's language, maybe we could put something in this about sponsoring events, street events, because that's what I'm really getting at here.

As I said, I have been to events in New York, where you -- you can't even walk because the street is so packed with people visiting these events and going into stores. So that's what I'm really talking about events. And if Vice Mayor Janik can work that in there, I would be very happy with that also. Thank you.

Mayor Ortega: Councilwoman Littlefield. And Janik.

Councilmember Littlefield: Well, from what I heard this is an extremely controversial issue right now, and if we don't drop this, change it, do something, it's going to have ramifications that most of this council will not like. People are very, very upset about this. They have fought hard for their parking spaces.

This is one of the biggest things we have talked about is parking in downtown. This is not going over well for those who thought they could get some relief for parking in front of their shops. This is not just the galleries. This needs a lot of neighborhood outreach which we have not given it. This needs a lot of discussion groups and work study groups as to what exactly do we plan on doing and how are we going to do it and how do we keep businesses open and not allow cars on the street.

[Time: 00:28:38]

I'm sorry, a lot of people don't like cars but we're a car-driven society: It's who and what we are. That's why we had all the parking problems down there. Women want to drive their cars to downtown and go walking at that point. If we don't allow them to do that, they will go somewhere else. There's nothing that makes them go to downtown. I think this is a move in the wrong direction.

If we want to have events on the sidewalks and in the streets, that doesn't need to close down the streets every month. We can close it down on a Saturday or a Friday and have a special event where everybody is there and can do their thing. We don't need to close down a walkability street with nobody coming. I think it's very, very bad. It's highly controversial.

We have had -- I've had a number of calls and discussions on this from the neighbors, from the people who have businesses down there and they are very upset. They do not want this. And they feel like it's a stab in the back with what they thought they just got with the parking ordinance. I can't support this. We need a lot of more neighborhood intervention here. Thank you.

Mayor Ortega: Vice Mayor Janik and then Councilwoman Caputi.

Vice Mayor Janik: Okay. We probably could change what I said and just consider pilots to encourage more foot traffic and business activity with focused events and then not even worry about how we will do it. Just that's one of our goals and it would be way more general. I also have to say, I do think we need to give the community more time to review all of these issues because obviously, it's through input from the community that we realize we need to tighten up on some of these things and that would make it easier when we finally get to the point where we want to adopt them. Thank you.

Mayor Ortega: Councilwoman Caputi and then Councilwoman Whitehead.

Councilmember Caputi: I wasn't picturing this type of a program as a mandate per se that we would just decide amongst ourselves, we are putting it here. I was picturing that we would do some outreach into the neighborhood and the business owners that wanted it, if that particular block of business owners was in agreement, that they saw the benefit of this, then we would agree to do a pilot for them to help them increase walkability and viability and vitality for their particular section.

We were not going to say that we force a particular block of the city to be proposed. My impression was it was a great idea and it was a pilot and it would only impact a section of our city where the business owners were actually excited to try it out and join in. I think that's where the idea originated from anyway. They brought it to us and said we have a whole bunch of business owners in a block that would love to see what this idea would look like in operation. We were not implying that we would mandate a business to accept this idea without having input from them. That was my impression.

[Time: 00:32:18]

Mayor Ortega: Councilwoman Whitehead.

Councilmember Whitehead: Parking was not in my head when we were thinking about this because we were responding to the businesses in this specific area. So I agree parking -- we spent however many months adopting a new parking ordinance.

Obviously, this council is extremely committed to that and that is why I liked the first motion that Vice Mayor Janik made. Can you read it again? I don't think that implied any change -- any impact on parking. Would you mind rereading that Brent or Vice Mayor, whoever has it handy? Can you reread your original motion?

Vice Mayor Janik: I will try. Consider pilot to temporarily turn some old town streets into more walkable areas to encourage more foot traffic and business activities including focused activities and I will add and or events.

Councilmember Whitehead: One the people I'm responding to is one of the most active pro parking people to in downtown. She's the one who came to me with the idea in making a big, wide alley which does have cars going through it, making that an event space. And she says they do similar things in Europe. So I'm actually responding to people would are very pro parking.

And while the initial -- what we have here, I can definitely see it would appear that we are taking away parking spaces. Vice Mayor Janik's motion does not in any way imply that we are taking away parking spaces and absolutely, there's nothing that this council does that doesn't involve the citizens. So I think councilwoman little field, I think if you re-listen to that motion, I wonder if that's something you would consider supporting.

Mayor Ortega: Okay. The main difference I hear in the motion from what was submitted it says once a month. And Ms. Janik's took that out. Just try it as a pilot. And that the warrant discussion and by taking that once a month out, it just becomes a pilot. So it could be tried. It would have to be tested and it would have to be approved by the participants of that block, and it may also require some funding. So when you reread the motion, it did not say once a month.

Vice Mayor Janik: Correct.

Mayor Ortega: It just said pilot, and I think that's an adequate enough description so that I could at least support that idea. Now, again, it's not a top of my priority in terms of -- and I'm very concerned about any blockage of other or bringing other businesses that, you know, may be here there at the event and then gone or from out of town or whatever, and it would -- it would be in conflict with the businesses that we have here, that the struggle and work year round to be successful. So we have a motion and a second. Please register your vote. Okay. Moving on.

[Time: 00:36:02]

Mayor Ortega: Item number 19 is the District 9400 Shea nonmajor general plan amendment and rezoning. This case has been requested to be continued to August 24th, 2021, city council meeting. Are there any other questions regarding this before I accept a motion? City attorney?

City Attorney Scott: I'm so sorry, mayor, I think we need some clarification on your prior item.

Mayor Ortega: Oh, yes, we only made an amendment. We didn't actually vote on the full -- the full one.

City Attorney Scott: That's correct.

Mayor Ortega: That's correct. So I move we accept number 15, strategic plan, except for the item amended -- pertaining to consider pilot for temporary downtown street as stated by Ms. Janik, and passed. So we would be passing all the other items as presented and including -- sorry.

Just item number 15 in our regular agenda, with that clarified amendment. As amended. Yes. Do I have a second?

Councilmember Whitehead: Second.

Mayor Ortega: We have a motion and a second. All in favor say aye or register your vote. Thank you. Okay. Thank you. And really, thank you for bearing with us. We did delay this meeting a half an hour

because we were in executive session.

ITEM 19 – DISTRICT AT 9400 SHEA NON MAJOR GENERAL PLAN AMENDMENT AND REZONING

[Time: 00:36:36]

Mayor Ortega; Turning to item number 19 as posted, that is the District 9400 Shea nonmajor general plan amendment and rezoning. The applicant is requesting this item to be continued to the August 24th, 2021, city council meeting. Are there any questions with council before I request a motion? Seeing none, I will now entertain a motion.

Councilmember Whitehead: Mayor, I will make a motion to accept the continuance on item 19, District 4900 Shea.

Councilmember Caputi: Second.

Mayor Ortega: Thank you. We have a motion and a second. 9400 Shea nonmajor general plan amendment. Please register your vote.

ITEM 20 – DISTRICT AT 9400 SHEA NON MAJOR GENERAL PLAN AMENDMENT AND REZONING

[Time: 00:38:59]

Mayor Ortega: Next, we'll go to item number 20 as posted. Short-term rental working group recommendations. Our presenter is Brent Stockwell, assistant city manager.

Brent Stockwell: Good evening. I was honored be to the facilitator of short-term rental working group. I will yield all of my time to Vice Mayor Janik and Councilmember Milhaven who will give the presentation this evening. Thank you.

Vice Mayor Janik: Thank you, Mayor and city council. This is the on the short-term rental working group recommendations that were finally finished on July 1, 2021 at about 11:00 this morning. Next slide, please.

The short-term rental working group purpose, our purpose was to identify opportunities for the city to improve monitoring, and enforcement of regulations to ensure that Scottsdale is doing everything it can to manage the impacts from short-term rentals. Next slide.

A big thank you to the working group members and staff who participated in this. Working group members represented Experience Scottsdale, S.A.R., regular community members, people who were involved in the short-term rental program, and city councilmembers. I think that staff, especially Brent, did a wonderful job of culling through all the applicants and making sure that we had representation from all the groups that were affected by short-term rentals. And the support staff was wonderful. So thank you to all the support staff for their work on this. Okay.

So the short-term rental working group meetings, we had six residents, two Realtors, and one of them was a short-term rental operator two, hoteliers and two councilmembers. We met six times during April, May and June and most of the meetings exceeded two hours in length, where we received wonderful comments from the members the community. And there were also more than 90 written public comments that we received. And I know Councilwoman Milhaven went through them, evaluated them and responded to most of them. So thank you.

Current conditions. The short-term rental impacting neighborhoods, complaints include not listed on short-term rental map, noise, too many occupants, trash, parking, vulgar or offensive language and behavior, and damage to neighboring properties. Now, I want to emphasize everybody thinks we can answer all the problems. In reality, there are laws and ordinances that govern how we have to respond legally to all of these situations. So I will go through what we can't do. Cities cannot prohibit short-term rentals. That's the state law. We cannot pass short-term rentals specific ordinances that differ from long-term rental ordinances unless in a very limited circumstances and we'll discuss that on the next slide.

[Time: 00:42:41]

We also cannot violate due process or private property rights in enforcing occupancy restrictions. For example, we cannot enter a residence without a warrant or requiring disclosure of the identity of the residents. So I want everybody to be aware that we do have to follow due process and, yes, it slows everything down. We wish we could jump on it, stop it immediately, but it's not possible. And it's probably better that it unfolds that way.

Now, here's what we can do. We can pass regulations to protect public health and safety. If we can demonstrate the regulation, as far as the primary purpose of protecting the public's health and safety. We can adopt and enforce residential use in zoning ordinances such as nuance or news ordinance only if applied in the single family and long-term rental.

We can limit and prohibit the use for housing, sex offenders, sober living, selling illegal drugs, liquor or pornography. The short-term rental working group recommendations are designed to increase the likelihood that impacts can be prevented and minimized, enforcement is timely when violations occur. Residents are informed about how to handle these problems because I think this has been an issue where we need to disclose the proper format in which to make your complaint so that it can be received and addressed properly and ordinances reflected under authority under state law.

And now, I will turn it over to councilperson Milhaven and she has done quite a bit of work on this and quite a bit of study and I think you will be pleased with the recommendations that we have come up with. Thank you.

Councilmember Milhaven: Thank you, Vice Mayor and if it's okay, I will do the presentation from here. I'm more comfortable here than the podium. I want to thank vice mayor Janik. Being a councilmember takes a lot of time. Being a new councilmember takes even more time. I'm grateful for your

involvement, Betty, thank you.

In the council packet, we got a very detailed description. This is actually the working document when you read it. It is a detail of questions -- the suggest suggestions that were made and we asked and explored over the course of the task force meetings. And so what I will share with you in the PowerPoint is sort of an overview and a summary but there's a lot more detail in this document. Some of the things you will see, staff has already started doing. As soon as they can get it on their schedules they can get it done and then other things will need council approval.

So as I walk through here, I'm sure that my colleagues will have some comments and questions. But absent any objection to what's here, we will just assume council agrees and staff will move forward and bring forward any additional council items if they are necessary in order to implement some of these things and we know for ordinance changes and such that they will be necessary.

[Time: 00:46:04]

So on recommendation number one, improve enforcement against properties who regularly violate our ordinances. So first thing, and this has already started is to improve the information sharing between police, code enforcement, business regulation groups to identify and address problem properties more promptly. So what we learned is code may know there was a problem report and officer may respond to a call for service and not understand that there's a pattern here and vice versa.

And so having these folks work directly, it will help us to identify problem properties more quickly and address them more effectively. In addition, police have now been provided access to the code enforcement tracking system. So in addition to the improved team work cross functionally, they can look up themselves to see if there's been any complaints on the property when they respond to a call.

The prime prevention officers are in the district offices, and they are becoming a pretty critical part of this new process. They were the folks who can identify trends with oh, we had -- an officer may go on a call and an officer on another shift may go on a call on the same property and not realize a colleague has been there before. So the crime prevention officers or the folks who say, I gee, I see there was a call by two officers. It's not a one off. It may require additional attention and they are also able to make sure that we heighten the inspection and do citations where appropriate. We will talk about that later.

That training is happening now and they are getting more involved and making sure that's being coordinated. The next one is really exciting to create a nuisance party search team. So what we heard from folks is I may do a call for service. It takes a few hours for someone to show up. Officers are responding to higher priority calls. And so to create a team, particularly during high propensity towns when there may be party houses, create a special team that would address -- we would be able to respond promptly would be really important.

So this is something that we urge the task force or urges the city to move forward with and staff as quickly as they can. It may require city council budget approval to do that. But ask staff to move forward in pulling that together and bring forward any items needed for budget approval. And report quarterly

to city council on complaint trends and progress, and keep an eye on is what we are doing working?

I would suspect in the short-term as you go through this I think we need to help our citizens understand how to register complaints. I got an email from someone that I had been corresponding with during this task force and he sent me an email, we have the worst party house in the city and nothing has happened.

There hasn't been a complaint on this property in a year and they were only two complaints and the most recent one is a year old. I think helping our citizens understand how to make a complaint. I would hope we see complaints increase in the short term but over time decrease. And then I would like to point out that Mr. Santaella, he shared with Vice Mayor and I during a meeting we had on the subject that notices of violation had increased significantly more recently since the task force has been working.

And so I want to thank the chief and vice chief Slavin -- or assistant chief Slavin for their work because I know they have worked closely with patrol officers to make sure that they are sensitive to making sure that we are keeping the peace and addressing nuance parties. I think we have seen an improvement in enforcement. Thank you for your hard work on that. So that is where we are with improving enforcement. I guess I will pause to see if my colleagues have any questions or comments. So hearing no, I will --

[Time: 00:50:23]

Mayor Ortega: Well --

Councilmember Milhaven: We have a lot more to go over. If you have a question. There's a lot of passion around this. We had a couple of task group meetings where we had the first topic and everybody shared everything all at once. I think we will get to it, but there will be opportunities. So thank you.

So the second recommendation was to work with short-term rental industry to increase properties providing emergency contacts and improve voluntary compliance to make sure the industry is aware of and can implement these recommendations and Mr. Stockwell arranged a call with Vice Mayor Janik and I with VRBO and Airbnb to talk about how they can help us with this enforcement. They were very cooperative and it was quite an encouraging call.

So they have agreed to work with us, that they would help us to inform Scottsdale operators of what the Scottsdale requirements are, and in last week or two, Brent, right, they sent out a mailing -- or sent out a communication to all the folks on their platforms that are operating short-term rental in Scottsdale, informing them of the requirement to register with the city.

And then registering with the city means providing emergency contacts that we would require, be available to respond to any complaints and we will get into that a little by more later but they have been very helpful. They said they would, in fact, be willing to do that in ways, you send out a communication and see how many registrations we get and then do it again as it narrows down to make sure we get as

many as we can. They also said if we notify them of repeat offenders and we are working on a process to do that, that they will shut down repeat offenders and take them off their platform this was VRBO and Airbnb, they were also -- they were quick to point out that they are not the only platforms.

They probably -- Brent's Mr. Stockwell's best guess, they represent about 70% of the short-term rentals in our community.

Councilmember Whitehead: 7%?

Councilmember Milhaven: 70%. They may shut someone down on their platform and they go to another platform. That's a move in the right direction and we have something that we think may address some of the other platforms and we will get to that later, as well as sharing complaints with the booking mat form so that they can also monitor complaints. Also it was interesting to learn, you know, party houses are a big part of it and some of the houses will advertise sleeps 21. One of the two of them has a limit of 15 or 16. So they are also putting limits on what can or can't. We ask them.

We said if we have occupancy limits can you screen out everybody who says I have a short-term rental in Scottsdale that they have more than X. number. They didn't have the ability to meet the needs of different municipalities but they would help us communicate with Scottsdale operators what our rules and regulations were. Once we get the emergency contact, then we can communicate directly with the operators what those requirements are, and we have more about that later. That's where we are in terms of working with current booking platforms.

[Time: 00:53:43]

Okay. The third is to use technology to identify and increase emergency contacts and compliance. So Mr. Stockwell was very prompt and pulled together a team of two people who sat down and said we know -- you know the best guess is there could be as many as 5,000 short-term rentals in our city and we only know a fraction of those. He put together a two-person task team that tried to look at tax license and business license and booking mat forms to try to -- platforms to try to see if we could identify who is missing. That's incredibly tedious.

There are third-party vendors who surf the Internet, and they can look across many of the booking platforms. They can surf through county records to identify addresses and owners and contact information. So these third-party vendors would create an efficient process for us to identify Scottsdale operators so we make sure that they register. We have emergency contact, and they know what our rules and regulations are. So staff will work moving forward to choose a software vendor and if necessary come back to council for additional budget approval.

Okay. Number four is to ensure Scottsdale is collecting all allowable revenue for short-term rentals and analyze whether the fees should be increased. I mentioned already the first point here about the two folks who were trying to compare tax licenses and things. They have identified some. They are going to continue to do that but we will continue to look for that software vendor as an option to be more efficient and effective.

We are also talking about increasing the fines to the maximum amount that would be allowed in creating a sliding scale and so the numbers are there, and so it would start \$750 up to \$2,500 which is what's maximum allowed by state law. And that's for the property owner and then from \$250 to \$2,000 for the occupants based on the number of prior violations. Also, finally, we will change the fines to civil violations.

Right now, if someone gets a notice of violation, it's sort of like getting a bill from the city. And we really don't have a way to collect that efficiently. If we revise our ordinances which is what we are recommending to make this a civil -- a civil citation and so it would be like a speeding ticket and adjudicated through the courts and so they have a mechanism to enforce and collect.

In addition, the recommendation is to say after folks who have repeated civil citations, could move to be a criminal violation. Okay. And that would be for -- and that could be for lots of different things, but we are talking about nuisance parties and what's the other? I forgot the language now. But it could also be -- I know this was a recent incident where there were criminal charges against an operator and he did a whole lot more than have noisy nuisance parties and so it could be for lots of other things not just noisy houses but other ways they are breaking city code and creating nuisances or impacting the neighborhoods. So that's number four.

[Time: 00:57:06]

Number five is a little bit more about our Scottsdale ordinances and how we recommend making changes. So as I said, we want to require one-hour response to property owners to all emergencies. Failure to respond within an hour would create -- would create an opportunity for a civil citation. And like I said, the provision for habitual offenders.

We want to improve the definition of what excessive noise is within our nuisance ordinances, which would include measurable noise levels so that it's more than someone's -- there needs to be reasonable noise test, both bases we discussed in the work study earlier this year, as well as decibel levels to help occupants and property owners have a sense of sort of what would be reasonable or not. And then I think there's an opportunity -- we want to have staff tip to work on thoughts about how we improve occupancy guidelines and enforcement.

Right now we have an ordinance that says a single family residence is six adults and their dependent children. Well, right now that's difficult for us to monitor, right. I can't -- how do you know they slept there that night and they are not visiting that evening and having dinner.

They wanted to revisit what the occupancy guidelines, how they are defined and so we asked staff to bring back any changes to the ordinances that would help us to clarify that and make them more enforceable.

Recommendations 6 and 7 is to improve the information and the resources shared by the city with residents. So just as we mentioned, I was trading emails with this one resident. He said, why haven't you

done anything and then realized there was not a complaint on that property in a year. When you have a property in your neighborhood, how do you report that? And how can you support the police and the city staff to help enforce.

One is we want everyone here to know that if you have a nuisance party in your neighborhood, if it's creating an emergency, you can call 911. If it's not an emergency situation, you can call city police at 480-312-5000 and that number is available 24/7 to report nuisance parties or noise. So if you have a problem in your neighborhood, call that number.

The other thing which is not in here but you should know is if you can take pictures of what's happening, if you can take video of what's happening, anything you can do to document what's happening at that short-term rental, it will support the police and enforcement of all the ordinances and demonstrate the impact it's having on your neighborhood.

So in addition to that, staff is has already updated the city web page to provide additional resources to residents so that they understand what their -- what resources are available to them. We want to create a guide.

Staff will work to create a guide to residents to document how no make the complaints just as I mentioned, you know, if you take pictures and videos that helps and other things that they can do and other resources they have available to them and then in addition to creating that guide, create workshops for residents and neighborhood watch captains so that they are also informed and have a chance to have a dialogue around what can I do in my neighborhood and what more can I do to let my neighbors know about what we can do? So that is Recommendation 6 and 7.

[Time: 01:00:44]

Recommendation 8 is improving the education about short-term rental best practices to residents, owners and hosts. So this is going to making sure that the owners and the occupants understand what their requirements are. So we want to revise our ordinances to require posting all Scottsdale regulations in all rental properties. So think about, you know, welcome to the property, here's the WiFi code and oh, by, the way, you have to be quiet and you can't leave trash in the street and you can't block your neighbor's driveway and blah, blah, blah. And we hope if someone knows what the rules and the consequences are, they might be more willing to follow them. And then continue to work best practices for short-term rentals.

Both VRBO and Airbnb have some extensive resources about what a good host does and how occupants can be go neighbors. We will continue to identify those and they are being made available on the city's website.

And our ninth and final recommendation speaks to continuing to try to work with the state legislature. I know Mayor Ortega spent a lot of time earlier this year trying to lobby the legislature to change legislation that would make it easier for cities to protect neighborhoods, and so continue to urge staff and us to continue to work with the state and advocate for decoupling long-term and short-term

rentals.

As I said earlier, you cannot regulate it for short-term, if you don't have it for long-term. Ask us to decouple that. Allow the city impose reasonable licensing and permitting requirements. Allow the city to provide density or separation requirements. The city of Sedona, they don't really have a problem with party houses.

This he have a problem with too many homes on the street are short-term rentals and they don't have a sense of neighborhoods. I think the recommendation from the task force if state would allow us to say short-term rentals should not be within x number of feet of each other and allow us to do that. The other is sometimes it makes sense to create zones, like for example, someone said up by the Princess. There's some townhomes and things that tend to be short-term rentals that. Probably makes sense as part of the resort community.

So we could create zones where it might be allowed and other places where we have some density requirements and it couldn't be within a certain distance. The other thing we might consider or urge, any or all of these would be great. Creating a cap that says not more than x percent of the single-family residences in a community would be short-term rentals and then it wouldn't matter where they are. Require -- have the state require that online lodging marketplace platforms provide a disclosure of the state laws to the owners, hosts and renters. I think we can get around that given the relationship that Mr. Stockwell has created with VRBO and Airbnb.

And then finally, a communication from mayor and council to our legislators and state officials to let them know what we are doing to try to manage short-term rental and how they are impacting our neighborhoods and they would support legislative changes that would help us in that effort. I think that's it. Give me a minute. Yep. I turned that over. So I don't know if there are any questions or comments. I can turn it over to Vice Mayor Janik to close us out.

[Time: 01:04:34]

Mayor Ortega: Sure. Thank you. Thank you very much for everyone who -- with all the work and input, especially, you know, staff and, of course, the support of the police. I just want to add one other item. Let's make it number 10. Scottsdale's rather unusual because we have sprinklers, automatic sprinklers required in our houses by ordinance, since 1987. And when there's retrofits in excess of 25% of valuation, then the house or residence has to be upgraded with a sprinkler system.

The reason I mention that is that you have -- we had a problem or a question about checking occupancy. So I would like us to look at the building with respect to how we treat other lodging, transitional lodging. For instance, a hotel would have a -- an inspection, usually it's yearly by the fire department to see whether the sprinklers are working in a hotel or whether they have smoke detectors or other apparatus for life safety.

I think that we have a similar -- I know we have a similar use with rather heavy use of these residences or apartments or condos, which may -- may have sprinklers which is fine but we don't know that they

are operating. We don't know that -- that the fire alarms are operating the way -- the way hotels or other rentals would be inspected by the fire department.

So I think we should look at that element in terms of protecting the public and whether or not, you know, there were stacks of bunk beds blocking exits or adequate exiting that would be required and ordinary public safety in a multiuse residence. I think that's an obligation that supersedes any legislative prohibition. It's our duty to do that.

So I think we may need to have some sort of inspection fee verification of the safety apparatus. I would like to see that as item 10 as we take action on this. Councilwoman Whitehead and then Councilmember Milhaven.

Councilmember Whitehead: Thank you, mayor. This is better than advertised. This is really good. I want to warmly thank my two colleagues up here and our staff and the city attorney's office, and the city manager's office and the police department. Very -- this is very comprehensive and I'm looking forward to sharing it with residents. I do have one question and I like the mayor's suggestion. I would definitely support looking into that.

On the fines, I like everything that was proposed, but I just have one question, on the fines, there is a time period where the clock starts over and we have extended that when we passed an ordinance, gosh 2019. So can somebody -- I don't know perhaps it's Luis, can you tell me the time period? So you have that first violation as an owner of a property and there's a warning and then there's a time period between the next call and complaint. What is that time period and can we extend that so we capture more complaints.

[Time: 01:08:20]

Luis Santaella: Mayor and members of the city council when we bring back the ordinance, when we changed it to a civil citation system, versus the police service fee, we can set that to be whatever we want. Under the current ordinance, with the police service fee, it's within 180 days. So we could set it to a year, two years, whatever the city council felt was appropriate.

Councilmember Whitehead: Thank you.

Mayor Ortega: Councilwoman Caputi and then Councilmember Durham.

Councilmember Caputi: I will echo all the thank yous first, of course. This is awesome. We all know sitting up here that we get flooded with complaints and related to short-term rentals regularly. So it's really nice to have something that gives us an action as opposed to just always saying well, we can't do anything.

The state's tied our hands which is super frustrating for all of us, as well as the residents and we feel your pain. And I love the use of technology to try to mitigate some of these problems too. That's fantastic. I just had one question for our public safety department.

Recommendation number one and b talks about having a response team, which I absolutely love. Again, it's so great to have something specific, but the question -- I just -- how did we come up with six police officers and a sergeant and a code inspector? I know that short-term rentals is a huge problem, but is it that big of a problem that we need eight full-time police officers on call and response team? I'm curious how we pulled that number.

Assistant Chief Slavin: Good evening mayor and members of council. Thank you for that question. A standard -- excuse me. A standard rollout for a new unit like that in the city our size, across four patrol districts and just in managing the number of workload when we looked at calls for service related to short-term rentals we were over 1500.

And as we extrapolate that out into the future, there be more workload. And we will identify more short-term rentals that are yet to be registered. So that gives us the manpower to work a city our size across all four patrol districts. The code enforcement position was just in our communications with code, and the additional workload that they anticipate as we move forward with N.O.V.s and their side of this issue.

Councilmember Caputi: Great. I didn't know where that number came from. I support this idea of having a response team. Again, I think it makes people feel better that we have specific, concrete items and people, you know, assigned to this issue. So great.

[Time: 01:11:15]

Mayor Ortega: And, you know excuse me, there may be one public comment by telephone or remote. Is that the case or --

City Clerk Ben Lane: It's in person mayor.

Mayor Ortega: Oh, in person, excuse me. Perhaps we could please come forward, state your name, address and position.

Vice Mayor Janik: I would like to make one comment. This young lady attended all the meetings, and she gave us very valuable input. So thank you and thank you for being here.

Melissa Kovacs: Thank you, Vice Mayor Janik. Thank you, mayor and members of council. My name is Melissa Kovacs. I live in a non-HOA. neighborhood, very close to old town. And I have a community member of the short-term rental working group. I'm here to say two things. I'm very grateful that the city is taking this issue very seriously.

I'm so grateful for Councilwoman Milhaven and Vice Mayor Janik being on the committee and the city staff has been incredible. Thank you so much.

And the second thing I want to say is basically that I'm here to urge you to support these

recommendations that the working group has come up with. They have all been carefully discussed, very long over the last few weeks.

As you already know, as has been stated, we received a lot of public input and comment, and we have discussed these at length and we really feel that these recommendations represent what Scottsdale can do now and how it can best help its citizens be more comfortable and more informed given this sort of, I will say, horrible policy reality that we are living due to the -- due to the state stripping cities of their powers to regulate short-term rentals in 2016.

So thank you all very much for taking this issue seriously and I urge you to support all of these recommendations. Thank you.

Mayor Ortega: Well, thank you very much. And I don't believe there's any other public comment or in-person. So I would close that public comment. Let's continue with Councilmember Durham and then Councilwoman Littlefield.

Councilmember Durham: Thank you, mayor. I join with everyone else in thanking Vice Mayor Janik and Councilmember Milhaven. I think that these recommendations are extremely comprehensive and I would like to thank Ms. Kovacs and anyone else who joined in from both the staff and citizens. I think that these are a great start in trying to solve these problems.

One question I had and I think Councilmember Milhaven covered this. I have gotten many complaints that there are numerous the properties on VRBO and Airbnb, that there are 18 people in Scottsdale. Anyone can go on and say I can put 18 people in a Scottsdale house and get a list of people. I think I understood you to say that Airbnb and VRBO can't really track that?

[Time: 01:14:40]

Councilmember Milhaven: What they said is they can't put a filter on it. If we passed an ordinance that says we can only have 10 people in a house. They don't have a filter that says if you are listing a property in Scottsdale, you cannot advertise for more than 10. They can't filter for that. But once we know who all the operators are, we can reach out to them and say, oh, by the way, you are violating our ordinance, based on how you are marketing your property. That's why registering these is such an important part of getting control of that. But they won't monitor that for us, but they will help us communicate with the operators.

Councilmember Durham: So if we sent them a letter saying, you know this guy is advertising 18 people, are they willing to look at that or to reach out to that person?

Councilmember Milhaven: That would be up to us. That's why he this want staff to go back and consider how we might clarify occupancy requirements because right now, our ordinance is 6 adults and their related children. So someone could say that's 18 of us. So that's not a party house. That's just a really big family. And there's really no sway to get around or to prove otherwise.

In talking, we really went around and around and how do you clarify that? Go back to whatever we do for short-term rentals has to apply to all single family residents. Family comes in all kinds of shapes and sizes and relationships and so we don't want to create a definition that is so restrictive that it would infringe upon regular families with their all interesting complexity and variations.

But in talking with Brent, when Vice Mayor Janik and I reviewed this with Brent again, he thought there might be some work that staff could do to noodle through some other options we might have. So if we can get more clarity around that and get a better definition, then we can go to the folks that we know -- because we now know who the operator is, oh, by the way, you are advertising and that's out of line with the ordinances and then we can cite them if they don't correct it.

Councilmember Durham: All right. Thank you.

Mayor Ortega: Councilwoman Littlefield and Councilmember Milhaven.

Councilmember Littlefield: Thank you. I would very much like to thank both Councilwoman Milhaven and Councilwoman Janik for the hard work that they have done and all the staff that has put in hours and hours and hours on this thing. I think the rewards of your labors are tremendous. And I really appreciate what you have done. Thank you.

I support this. I think it's great. It's what we have needed for a long time to solve some of these issues that are not only existing but growing every day. And I support the idea of Councilwoman Caputi with a support team and putting that together and having it available to help our citizens when these problems come up. I think that's a great idea.

[Time: 01:17:45]

I also suggest we put together a flyer of how to handle this, who to call, what to do and possibly put it in the senior centers, in the libraries and on the web, of course, and the water bills so the information on how to handle an Airbnb whether it gets into your neighborhood is available.

I say that because I recently had one move into my neighborhood, and nobody in the neighborhood knew what to do. And, it's -- it's something -- well, this is what you do. And yet, they didn't know. And so we need to make this information available as widely as we can, I think, using some of the city facilities to get the word out.

And if we do it in flyers, maybe even the water bills, libraries, definitely, especially as they open again. And even maybe have it in the thing here at city hall. So those are the only suggestions have to this. I think this has been a wonderful presentation and I think we're on the right road, I think maybe we can get a handle on this. First time I'm optimistic. So thank you, both of you.

Mayor Ortega: Councilwoman Milhaven.

Councilmember Milhaven: Just a couple of things that came up, comments. Councilwoman Whitehead

had asked about how many violations over what period of time. The conversation and the recommendation from the task group was three citations in two years would be when it kicks over to the next level. So gives us a nice long time frame but a short fuse.

And then, I want to respond also, I know Councilwoman Whitehead and Mayor Ortega talked about inspecting like we do hotels and you represent the hoteliers that were on the task force very well. They would like us to do more. But the problem is, as we said earlier, these are single-family residences and so whatever we do with the short-term rental we have to do with a single-family residence.

If we have the right to inspect your sprinklers and enter your property we have to do that for all single family residences and the hoteliers make a good argument, saying they have regulations on how hot the water is in bathrooms and they have got all of these health and safety regulations as hotels that they are required to comply with and the short-term rentals although they are acting like hotel rooms are not regulate like hotel rooms. They are single family homes.

So I wanted to clarify a couple of those things. So with that, I will turn it back to Vice Mayor Janik and perhaps you would like to make a motion to accept the recommendations of the work group.

[Time: 01:20:29]

Vice Mayor Janik: I would like to make a motion to proceed with implementing the recommendations, bring back a draft ordinance for city council approval as soon as possible, and provide quarterly updates on progress to the city council and community. Thank you.

Councilmember Milhaven: Second.

Mayor Ortega: We have a motion and a second. County attorney -- I'm sorry, city attorney, do have a comment on just accepting the recommendations? Excuse me.

City Atty. Scott: I wanted to clarify mayor, that the motion is to direct staff and with that clarification, on the record. I think that motion is fine.

Mayor Ortega: Okay. Thank you. The mayor acknowledges that?

Vice Mayor Janik: Yeah. City council direction to staff. To proceed with implementing -- thank you for that. Appreciate it.

Mayor Ortega: Thank you. Please register your vote. Very good. Unanimous.

ITEM 21 – SEWER LINE EXTENSION PROGRAM CHANGES

[Time: 01:21:37]

Mayor Ortega: Next, we will go on to a item number 21, is which is the sewer line extension program

changes. Our presenter is Brian Biesemeyer and water resources executive director.

Brian Biesemeyer: Thank you, mayor and council. Tonight I have a presentation on proposed changes to our sewer line extension program. Just a little review. So I will start with an introduction and review. We will talk about the March 9th, 2021 and tasking this to council and then the next three items are specifics on those tasking.

So real briefly what is a sewer line extension? It is exactly that. It's an extension of the sewer line to serve an additional property. In the residential context, it's done to allow a homeowner or a single-family developer to extend the sewer line to their residence. Why do we have this program?

We base it on our general plan, to recognize the value of water and wastewater to our community. To make sure new service delivery costs are borne by those desiring that service. And then to encourage the use of sewer systems instead of private septic. Septic systems in Scottsdale. We estimate that there's about 5,500 septic systems in Scottsdale.

We don't know the exact number because we don't regulate septic systems however, we have looked our G.I.S. stem and identified those residents that have water service and no sewer. And then excluded properties that are in, say, the black mountain sewer, private sewer company area and some that are serviced by Phoenix and others by Fountain Hills.

And then over the last seven years our sewer line extension program has extended sewers to about 19 -- to exactly 194 homes and parcels with an average cost per parcel of \$25,000. Groundwater quality and septic systems have you seen these slides and I will go over them quickly. These are the same slides that you saw at the March study session.

Real quickly, conventional septic system, this diagram shows the major components of it. And there are really a septic tank and then a drain field or a leach field where the wastewater comes out of the house and goes to the septic tank is partially treated and then is further sent out where it goes into the settlements and down to the groundwater table.

[Time: 01:24:36]

Real briefly, the EPA, the groundwater foundation, and the CDC all recognize that septic systems can cause groundwater contamination, and can be a concern for general community health. The most common contaminants coming out of a septic system are bacteria, viruses parasites and nitrates. We say regulated because they are regulated for the wastewater treatment plant that has to treat wastewater.

So we address them as regulated but they are not really regulated for a septic system. Nitrates, for example, typically come out of a septic system at 5 to 10 times higher than a wastewater treatment plant treats them too. And these are all acute contaminants meaning they impact people's health immediately, and then there's also a concern about unregulated substances, pharmaceuticals and personal care products that go directly through septic systems.

And I think the biggest threat in Scottsdale on septic system is really just their density. In general, the EPA has determined that septic systems when they are greater than 40 per square mile or a threat to groundwater. And so that's one system per 16 acres. And Scottsdale our density is quite more intense. And this area is, for example, in the Shea and cactus road corridor that we have densities that are 400 septic systems per square mile, which is about 1.6 septic systems per acre.

Another conduit for septic wastewater to enter into the groundwater table are exempt wells. Exempt wells are wells that can pump less than 35 gallons per minute and are except from a lot of department of water resource regulations and there's close to 1,000 of them in Scottsdale. And a fair number in the same area in the cactus and Shea boulevard corridor, west of the 101678. -- 101.

Many of these are very old and may have been half drilled but they happened to be in the D.W.R. database but they offer a conduit for faster contamination down to the aquifer. The advantages are sewer and water reclamation systems are 100% of the wastewater is retained as a water resource. Wastewater is treated to drinking water standards, and then we recharge it in areas where we can then recover.

In addition, through a removal. Septic system, we remove through this -- when we have a sewer system, that allows for the removal of the sewage treatment plant that's actually in somebody's yard or property. We don't think about it but a septic system is a wastewater treatment system, and it is in people's yards and properties and we put it and we hook up to sewer, we eliminate that.

[Time: 01:27:55]

On the March 9th study session, council asked staff to come back with more detailed information on all the costs and fees that would be incurred when a septic-to-sewer conversion happened, and then also to come back with some low-cost options as well as a possible option revolving around an aquifer protection fee and a cap on sewer extension cost.

So for first one, the cost estimate for the septic-to-sewer conversion. A little background on the cost encountered over the last four years for sewer extensions. Earlier I mentioned over the last seven years the average cost for an extension was about \$25,000 per lot. That has stayed remarkably stable over that same time frame.

Over the last three years, you can see the average cost is right close to \$25,000 again. What has changed over the last seven years, compared to the last three. The last three, the number, the intensity of this, the extensions have increased dramatically. Prior to this the seven-year average was slightly less than 30 extensions per year and we are now up to an average of 40 per year. So what are those costs incurred when somebody converts their septic to the sewer? The cost of extending that sewer as I mentioned is \$25,000 on average. It can be more. It can be less. That's an impact fee.

We charged an impact fee for anybody that connects to our sewer and that's \$2,609 currently. Service line connections so they have to connect to the sewer and that would come out of their house. So the

connection from their house has to be connected to the sewer. That varies dramatically because it depends on where the septic system. Is the septic system could be in the back of the house, the side of the house, the front of the house.

So that -- those costs we put between \$2,500 to \$4,000 but it could be \$4,000 plus: And then there's the clean closure of that septic. So the septic tank has to be collapsed, actually pumped out, collapsed and then clean filled and that cost varies too. It depends on where it is and what landscape has to be replaced when this occurs.

So we have a total cost of plus or minus \$33,000 for these septic-to-sewer conversions. So we talked about low-cost options to improve our sewer line extension program at that study session. And the first one were payment overtime to allow people to pay over time. They would have to agree to a lien on their property, as assurance of payment over time. And then a down payment with five years to pay. An it's set up on a separate billing. We can't include it on their utility bill. It's a separate billing and then it would be admin cost to that.

[Time: 01:31:17]

The second proposal for these low-cost options is reduced interest rate and currently, we charge -- for those customers that don't connect to the sewer line extension immediately -- so the sewer line extension is done in front of someone's house and they elect not to connect, as they have the right to, they don't connect, we charge an interest rate because the city has invested into that line that goes into front of their house.

And so we charge an interest rate to that and it's typically -- it's now prime plus one percent. So we are proposing to reduce that to our latest water, wastewater bond rate, which more accurately represents our cost of that investment in those sewer lines. And that currently is at 1.5%. So those are the two low-cost options.

And we previously talked about a third option which is a total cap on interest to not allow the total interest to accumulate past \$5,000. However, staff removed that proposal based on investigation of our sewer line extension program. The record shows that over half the folks pay off the sewer line extension in ten years and less. If you look at the interest accumulation of ten years or less, for \$25,000, at our current bond interest rate of 1.5, it's well under that \$5,000 cap. So staff has removed that. It doesn't seem necessary at this time to put a tap -- an interest rate cap at this time.

And the last proposal was actually a cap on the cost to the sewer line extension. And then an aquifer protection fee to pay for that cap. So the suggested cap was \$15,000 to pay for the sewer line extension. Currently the cost, as I said on average is \$25,000. So the average cost of extension leaves \$10,000 per lot or home with -- with no funding source for it. Given an average number of 400 parcels per year, the city would need to absorb about \$400,000 initially. And the possibility solution, was an aquifer protection fee on all of our water customers.

Initially we recommended 40 cents and we have changed that to 45. And I will show you why when we

get to the five-year cost estimate. So some assumptions when we put together our five-year program costs we assumed extensions would increase from 40 to 60 over the five-year period. Number one, reduced costs but we have seen this increasing number of extensions over the last three years. There's also a cost for extensions we assumed that would go up and we would put a 3% estimate on that.

We also assumed that that cap would also go up matching that. So the cap -- we projected the cap to increase by 3% per year. Sewer rates which council ultimately sets, we also estimated at 3% per year. Because sewer -- the sewer rates that we collect from these new customers goes to help offset some of the costs. We estimated 1% customer growth rate, and then aquifer protection fee would remain fixed through the five-year period. And then we also -- kind of a caveat, it doesn't involve existing line extensions.

[Time: 01:35:21]

We were not proposing to include anyone who has an existing line extension agreement. We were only talking about line extensions going forward. I apologize if this is a little crowded graphic, but the top line shows the flub of septic systems, and then the next line down, the number of annual conversions, as you can see, goes from 40 to 60 over the five-year period. With 250 over five years. The next, we just talked about a single conversion. So the city portion as I mentioned. -- so if you look at the FY-22 line, the city portion would be \$10,000. The customer would pay \$15,000 for the one parcel cost of \$25,000.

Then you further go down and you can see the \$10,000 by 40, ends up being the city portion or the cost needed to be absorbed as \$4,000 and then at the bottom, you can see the revenue offsets. So the revenue offset from sewer rates would be \$10,000, and then the aquifer protection fee would be close to \$500,000.

So you see in year one or FY-22, we would collect and have \$400,000 in a balance, and then that would move forward. The next year as the number of conversions increased to 45, you can see we still have a positive cash balance at the end. And the third year, also still a cash balance, we start to go negative in a single year.

However, the cash balance at the end of the five-year period, you can see in the colored areas where we still have a \$50,000 cash balance in the account. We need over that five-year period about \$2.67 million and we collect about \$2.72 million over that same period of time. Again, there's a lot we did -- a lot of -- a lot of assumptions in this five-year estimate. But based on this five-year estimate, we are recommending the 45-cent fee to get us through.

Staff would look at these every year and make recommendations to the council should something not occur as our projections are set up to do. It would be -- again, it would be brought forward every year, to council during our normal rate setting process. The request of council tonight is twofold.

First to adopt an ordinance number 4507 and that's the low cost options. So the ordinance is set up to adopt those low-cost options I mentioned. The second one because the aquifer protection fee is a fee. It's governed by state law for a fee. There's a process to set that up. It includes posting public meeting,

and ultimately council approval. That takes time and so we're looking just for direction to start that process. We can conduct that process in a time frame such that that fee would be able to occur in November, which is when our water rates increase is also scheduled to occur.

So we can match that up with our current rate -- with our current rates that go into effect in November. But I needed to explain that it's not an instantaneous process for any rate or fee adoption. Pending your questions, that concludes my presentation.

[Time: 01:39:27]

Mayor Ortega: Good. Also part of the process is calling for public comment. So I'm calling for public comment. There's none by remote. And none in person. So at this point, formally, I would close public comment on this agenda item. I will move on to councilmember comments or questions. Councilmember Milhaven and then Vice Mayor Janik.

Councilmember Milhaven: Thank you. I'm not sure I agree with all of your logic. All right? So folks aren't going to replace their septic until it fails. So as an incentive, what with you have shown us -- what you have shown us is that -- let me come at this a different way. The question is: What is the community benefit for people going from sewer to -- from septic to sewer and what's the value of that community benefit?

So these contaminants percolate into the groundwater or they go down the sewer, we're still going to be treating that water in the same way before we redistribute that water for use again. So -- and the number -- so I don't see the difference or the risk in letting it percolate into the groundwater. The other is -- oh. I forgot the point I was going to make. I'm sorry.

The -- so when folks -- when their septic fails, the average cost for them to connect to the sewer is \$33,000 and the new septic is \$15,000. So even if we say all right, maybe it's a little bit better if they connect to the sewer, because when they fail they are going to be more inclined to replace the septic than to connect to the sewer because it's more expensive. And so even if we are to say, all right, I will grant you maybe there's some marginal improvement -- that was my other point. The number that are being done is so small. It's going to have virtually to impact on the overall system.

So I would be very reluctant to spend much city money on this at all. I certainly wouldn't support asking all the other ratepayers to pay for everybody else's sewer connection. I would, however -- the first low-cost option which says, you know, we may have homeowners for whom this is a financial burden and they may not have the resources to connect to the sewer where that might be the best thing.

I would be supportive of the low-cost option where folks are paying the city back for the costs they incurred at a reasonable rate that's better than they could get somewhere else with some administrative fees, as a way to sort of help our property owners, but beyond that, I -- I just can't justify in my mind the city paying for people to hook up to the sewer. I don't see the community benefit particularly in light of the cost. Thank you.

Mayor Ortega: Vice Mayor Janik, and then Councilmember Durham.

Vice Mayor Janik: Well, first of all, thank you for a very strong presentation, and thank you for being so diligent about protecting our water supply. I appreciate that. My question has to do with you -- you talked about with the standard sewer system, wastewater retention is about 100%, am I quoting --

Brian Biesemeyer: No, with our wastewater system when it comes to the sewer, it's 100%. We get 100% of that back. When it enters from a septic system when it sends the sediments and gets to the aquifer, it doesn't get -- 100% doesn't get down to the aquifer. It's used up in many -- in many places the it's used by vegetation.

It's absorbed in some of those sediments and it takes a long time for that to actually occur. And so it's not 100% drop for drop goes down into the groundwater table. That was what I was trying to make the point of.

Vice Mayor Janik: Okay. So about what percentage loss would you assume of water -- of water that becomes available for reuse, are you losing with a septic system, versus a standard sewer system?

Brian Biesemeyer: Yeah, I don't have the exact details on that and I apologize. I don't. But it's -- it's --

Vice Mayor Janik: A rough guess?

[Time: 01:43:57]

Brian Biesemeyer: It's -- I gotta say it's probably 50% or so is absorbed in sediments and is held and is then taken up into other vegetation, but, again I -- I'm just making an educated guess at that. But it's -- the point was it's not 100%.

With we recharge, we -- when we recharge in the well, that's 100% gets down into that aquifer, versus a leach field which is a very subsurface effect for that water. So it's a much longer distance for the water to go and plants and root and zones are in that leach field, because vegetation gets in it and absorbs it and water is used for that vegetation but it's not recharged.

Vice Mayor Janik: Okay. Thank you.

Mayor Ortega: Councilmember Durham and then Caputi.

Councilmember Durham: Thank you, mayor. I was just thinking have you considered setting the cap at higher than the \$15,000 replacement because the consumer, the customer gets some additional benefits from not having a sewer in their yard, and I was wondering about setting that at a higher cap?

Brian Biesemeyer: We could set that cap at 20,000 and then you would just take that 45 cents and then it would be 43 cents. Yes, councilman Durham, we could set it at a different level. We started with the \$15,000.

Again, we used the logic that I was close to what a septic system replacement was, but obviously as you see, there's a lot more cost for the consumer than just the septic system replacement. So we started -- we started at that, but it -- it can be set at a different level.

Councilmember Durham: Thank you.

Mayor Ortega: Councilwoman Caputi.

Councilmember Caputi: I think that's an interesting point. I'm just sitting here thinking about this whole benefit. Who benefits, you know? I agree that it's hard to ask the community to contribute when the homeowner has most of the benefit, but I also hear the argument that the citizens -- obviously there's a benefit to all of us, right, for having cleaner water and less contamination in our soil.

There is a community cost and benefit there for sure. Maybe we do need to tweak that number a little bit so that we would feel more comfortable that, you know, again, I think the homeowners mostly benefit but I do think that the community also has some benefit to this. 5250 total left and we're only going to be able to knock out about 250 of them in five years? That's the number I can't -- wow! This is so slow! We're going to be like 50 years doing this, right? I don't know. Is that right? Am I hearing that right?

[Time: 01:47:13]

Brian Biesemeyer: Well, if that -- if that projection holds -- eventually it will accelerate. It will accelerate as sewers get closer up into those areas, in our -- as we do our infrastructure improvement plan, and we extend sewers up into those areas, it will naturally accelerate because the sewers are closer and each one -- these typically occur when somebody comes in and does either complete teardown or there's a vacant lot and they put a home and they are within 500 feet of our sewer system, they are then required to extend that sewer.

That's when they typically happen, but as we get the larger sewers up in those areas, it will naturally happen, there will be the teardowns and the large remodels that will naturally cause that rate to accelerate. It is a slow process.

Councilmember Caputi: Yeah. In general, I also agree with Councilwoman Milhaven, we probably -- you know, it's great to have some low-cost options to allow homeowners. It's a huge amount of money. But, again, I don't know that that split is right yet. Maybe we want to have a little more conversation about that.

Mayor Ortega: Well, my view is that this is an incentive program. And whether or not the private homeowner decides to participate even at a discount, it seems as though it may or may not be successful. We are making some predictions that will be, and even so, it could be take decades to fulfill. So is there any way to check the performance of this in an ordinance manner as far as whether or not it's been successful and whether that extra -- it's only about -- you know, \$5 or \$6 a year to the

homeowner is working.

That's just a random thought, because I believe -- from what I know about the water system is that everything from McCormick Ranch north, is in a closed system, or as close to a closed system as possible.

We rely on CAP, of course, SRP water and then drafted water or pumped water and the recycled water. I think 11% of our water is from recharging and therefore, what's at risk is that very important component is the 11% that we may have originated at CAP water and then, you know went down and the regular waste system that we have.

But to -- and in any way to clean up a -- a potential hazard as well as improve the capacity of our recapture of water, I think is very important. So for that reason, I would support this as it is a nominal charge. I find from time to time, I get a call why was my water bill -- why did it shoot up \$200 one month?

[Time: 01:50:50]

And it's basically because, you know, a leak or a misread from an accumulation of misreads. So when I look at the almost a rounding error of \$5 or \$6 a year, I think that's -- that's a good -- a good value if we can incentivize switching them over. Most of the sewer systems -- most of the septic systems really are all -- they are obsolete. And they are no longer functioning. They are not functioning 100%. They are way below that.

And then people tend to react by pumping more chemicals into them to unclog and then that is probably augmenting the pollution that we are receiving into our aquifer. So for that reason, I would -- I would support moving ahead to protect our water resources that we have, and I would -- I would move to adopt ordinance 4507, authorizing changes to the city code for sewer line extension, extension participation and line payback agreements and finalized direction from council on initiating the rate process for the aquifer protection fee. And I think that is what it's -- as I view, it as a protection fee.

Brian Biesemeyer: Yes, mayor.

Mayor Ortega: Do I have a second?

Councilmember Whitehead: I will second that.

Mayor Ortega: So I have a motion and a second. We can continue discussion. Councilmember Milhaven, Councilwoman Littlefield.

Councilmember Milhaven: I just want to reinforce something Mr. Biesemeyer said. We require in a home is constructed or there's a knockdown and a rebuild that they connect to -- or if the sewer fails and they are within 500 feet, we require them to connect to the sewer. They don't need an incentive to do it. We require that they connect to the sewer.

It's no different than the mayor mentioned if you remodel your home, and we require you to put in a sprinkler system, we don't have a program to pay people to meet the city's requirements to have a sprinkler system.

So likewise, I really am struggling to see the logic in the city paying for a property owner to comply with the city's ordinances for what we have decided is in the best interest of health and safety. And, again, I will sort of repeat the point I made, but I understand this could be cost prohibitive for some folks and if we can make a low-cost option for them to do it over time, I think that makes sense. Water resources and all of that.

The number is so small that the overall community impact on these few conversions is really not worth, in my opinion, is not worth what it will cost the city and I don't think it's appropriate for -- I don't think it's appropriate to ask the broader community to pay for these thank you.

[Time: 01:54:05]

Mayor Ortega: Councilwoman Littlefield, and then Whitehead.

Councilmember Littlefield: Councilwoman Littlefield, we have to stop doing this, I group members he with you. I have a problem forcing this on people and I have a problem with a lot of folks who have septic and have been here for a long time, a lot of them in south Scottsdale.

They can't afford this and they can't afford the prices and the cost of extending those lines. Their sewer systems work just fine. They put the little monthly tablets in and the system works. I understand what you are saying, Mr. Biesemeyer and I agree with the fact that if we had total septic -- I'm sorry, total sewer that would probably be the best thing we could do for our water. I have a problem with trying to force this on folks. I don't think we should.

You know, if their septic tank craters, if it dies, then we think about, okay now you need to connect to the sewer line to try to make people do this when they can't afford it, I just really don't think it's appropriate to do this right now.

Mayor Ortega: Thank you. Councilwoman Whitehead. Were you finished?

Councilmember Littlefield: You and I talked to that man in the middle of the valley and he had long extensions and he was sitting there in the middle and we were going to force him to put his house on the sewer and it was going to be outrageously expensive. He was trying to save his house for his son. I don't know how that ever came out. I just thought the city could be better than that. We should have other options.

Maybe if we want to stop a cumulative fund for people who literally can't afford to do this, maybe that's another option, but I don't think that this is what we should do right now. Thank you.

Mayor Ortega: Thank you. Councilwoman Whitehead and councilman Durham.

Councilmember Whitehead: I think have more questions based on the dialogue up here. It's my understanding this is an incentive. It's not a requirement if your septic system is currently working, correct?

Brian Biesemeyer: If your septic is currently working, and you don't do a remodel or anything, no, you are not required to connect to the sewer.

Councilmember Whitehead: Okay. So this is an incentive and so therefore, the \$15,000 is an incentive because westerly saying, hey, we will save you \$10,000. And then the second question is that would this apply to a homeowner that is remodeling and thus required as Councilwoman Milhaven was concerned about? Would this option be available, this discount be available to someone who is not being incentivized but is required by ordinance?

[Time: 01:57:12]

Brian Biesemeyer: Mayor Ortega, Councilwoman Whitehead, first of all, yes, it -- let me go back. Yes, it would apply to anybody on this. It would also apply to those folks. So in the example that Councilwoman Littlefield gave, this is a gentleman who had a line extended in front of his facility, and then wanted to -- he had another lot that his son was going to connect to.

And so all those full costs applied to him, and he was struggling to pay the full cost of the whole line extension for that. And so he was struggling. And so this would be a way to alleviate some of the cost for those people who have a line extended in front of their residence. They have a septic system. They have elected not to connect. And then their septic system fails. Then they are required to connect.

And so this would be a way to alleviate some of the costs. It's not -- it doesn't alleviate all the costs. It just alleviates some of the costs and that's -- that's where it impacts but it would impact anybody on that line extension agreement. It could be something that is actually developing their home. It's not as proposed. It doesn't distinguish between individuals on that line extension. All would be encompassed in that.

Councilmember Whitehead: Okay. Yeah. That really does kind of change the equation for me. The way I see it, is if we are offering an incentive, it should apply to those homeowners that are not required by ordinance to do something.

And secondly, we should provide a -- you know, is in the low-cost option, an opportunity for homeowners to pay back over time, and have it -- you know, and having with the property. But, yeah, I guess thinking about this I would not want to underwrite the cost for somebody who is flipping a house, bidding their dream home, and getting a discount.

I think if they are required by ordinance, then they should pay the price. If we do have that rare -- you know, we get this all the time, and we're a great council because one person comes to us, and you guys

on staff hear from us. So we -- it would be nice to have that ability to pay back over time, as you recommend in the low-cost option, but I would hope to make this only an incentive for those would aren't required to do it.

Mayor Ortega: Councilmember Durham.

Councilmember Durham: Thank you, mayor. I'm confused a bit, what are the circumstances in which someone is required to hook up to the sewer?

Brian Biesemeyer: If they do a major remodel or a new build, and they are within 500 feet of our sewer, they are requires to extend it. Also there will be folks that a sewer line has been brought in front of their house because somebody else had caused an extension to occur that had a septic system and they don't connect. So if your septic system fails and you have a sewer in front of your house, you are required to connect.

[Time: 02:00:54]

Councilmember Durham: Okay. How do we track when somebody's sewer system fails and effect they are required to connect in.

Brian Biesemeyer: We haven't traditionally distinguished between those and those who have done remodel. We just track those that connect. We haven't been tracking the distinction between somebody whose septic system fails and does that, or somebody who does a major remodel and connects. We truly have not tracked that.

Councilmember Durham: Well, what's to stop someone if their still fails from installing a new one or just --

Brian Biesemeyer: The septic providers have to check in with the state and the county and the county calls us and said, is a sewer line available? And we apply the sewer line is available if it's directly in front of their house.

Councilmember Durham: All right.

Brian Biesemeyer: So regulatory requirements for that.

Councilmember Durham: That clarifies it. Thank you.

Mayor Ortega: Let's get clarification from the city manager.

City Manager Thompson: Thank you, Mr. Mayor, members of council. I think based on what we are hearing this evening, it might be good if council considers withdrawing the motion and second, if they so desire and do a motion to continue to address some of these and break them out with some options associated with those who have a need, not have a need and define that more clearly rather than as it is

now, there would be subsidies for anyone regardless of income level and regardless of ability to pay, if approved this evening.

I think it would give a chance to go back and rework it so those in greatest need in regardless of their system fails, regardless whatever, that we look at all of those options and come back and lay it out a little built for you based on the discussion, otherwise we will be getting into the depths of making changes to this this evening, and I would rather have an opportunity to go back and address that if council so desires.

Otherwise, we can try to address that evening and take a short recess and make those changes.

Mayor Ortega: Since I made the motion, I will withdraw my motion. And accordingly, request a continuance on this item for more information, and that information would be coming after our summer recess.

Vice Mayor Janik: I second that.

Mayor Ortega: We have a motion. Mr. Durham.

Councilmember Durham: I'm not opposed to the continuance, but we talked about whether this is different from providing a subsidy for fire alarms or -- or fire extinguishers, water, et cetera. I think it's a little bit different because this is when someone replaces the septic with the sewer, there is an improvement that they provide to their neighbors as well, because the neighbors benefit from increased water retention and the lack of chemicals into the water system and so on and so forth. So I can see more of an argument here for sharing those costs across the whole city.

Mayor Ortega: I see no other discussion. So we I have a motion to continue. Please register your vote. Thank you.

PUBLIC COMMENT

[Time: 02:04:31]

Mayor Ortega: At this time, I will move on to public comment, which is available, however, at the beginning of council meeting as well as at the end for any item that's not on the agenda. Just referring to city clerk, we received none?

City Clerk Lane: That's correct, mayor.

ITEM 22 – RECEIPT OF CITIZEN PETITION

[Time: 02:05:35]

Mayor Ortega: Okay. Accordingly, I would close the public comment. Next, we will move on to citizen

petition, item 22. Is there a citizen petition, if you come forward, we are open as is city hall and that option is always available, according to our charter. I do not see any having been submitted. So therefore, I close out item 22. Finally, are there any mayor and council items tonight?

Councilmember Whitehead: Yes, and I'm sorry, my buttons are not working in the request to speak. So I have two.

Mayor Ortega: Sure. Proceed.

Councilmember Whitehead: Okay. Thank you, mayor. Okay so in 2020, the city council unanimously approved a motion to agendize a review and possible update to the city council code of ethics. I would like to make a motion to agendize a work study session since this is such a new -- so many new members on the council to discuss the city council code of ethics and we also included a discussion about changes, updates we might want pertaining to city council election rules.

I think that although they are different, the state receives the election and the council -- or the city oversees code of ethics. This' a lot of overlap and I think it would be beneficial to have a work study session that included that additional item to allow us to talk about possible changes to elections.

Mayor Ortega: Let's take them one at a time. So you have opened the floor as they -- to -- asking for council action to --

Councilmember Whitehead: Yeah. To --

Mayor Ortega: A work study and then we will move to the second item if you had a second item.

Councilmember Whitehead: Okay.

Mayor Ortega: Is that as to form what we want to do?

[Time: 02:07:05]

City Attorney Scott: Mayor, you are correct. There are members of council that may want to vote yes for one, and no for the other. So it's probably worthwhile to have a motion to put them on the agenda for future action separately.

Mayor Ortega: So just to be clear, you mentioned, you know, agendizing a work study for the code of ethics and then election rules.

Councilmember Whitehead: I would like to -- thank you, mayor. I would like the work study to discuss updates to the city council code of ethics and changes to elections.

City Attorney Scott: Mayor, it sounds like it's a package deal, and so she can certainly make that motion, and --

Mayor Ortega: I see.

City Atty. Scott: And if some members of council are supportive of one piece but not supportive than the other, then they could register a vote as no.

Mayor Ortega: So it would be -- if to form, if you would like to make the motion first of all, for the code of ethics and then second for the other -- then we'll vote on that one and it would probably be more clear.

Councilmember Whitehead: Mayor thank you. I'm happy to do that.

Mayor Ortega: So you move that we consider that and ask that -- do I have a second on that for the code of ethics work study?

Councilmember Durham: Second.

Mayor Ortega: Okay. Now we can discuss that one and then it's just to put it on the agenda at this point; is that correct?

City Attorney Scott: Correct, mayor. It's -- it's not for discussion substantively. It's just a matter of taking a vote on the motion to put on a future agenda.

Mayor Ortega: Okay. Again, very limited discussion. Councilwoman Littlefield, and Caputi, I'm trying to keep it as simple as possible. Go ahead, councilwoman.

[Time: 02:09:07]

Councilmember Littlefield: I don't even know what question to ask.

[Laughter]

Mayor Ortega: It's my understanding that she just clarified that it had been a topic in past.

Councilmember Littlefield: Yes.

Mayor Ortega: And she's asking for it specifically to be brought forward. Councilwoman Caputi.

Councilmember Caputi: I want to slightly amend that motion if I could. If we are going to have a conversation about ethics on our council, I would just ask my colleagues if we could add to the conversation, about standards and guidelines for our boards and commissions as well.

Because we also have talked about that on the dais, having not enough clarity, not just in terms in recusals and ethics and for the boards and commissions as well. I would like to add that.

Councilmember Whitehead: I would accept that friendly amendment.

Mayor Ortega: I will note we had a second from councilman Durham. Are you okay with just the broad topic of ethics?

Councilmember Durham: I think as long as that's a work study session, I think it's okay with me. I mean, once again, it sounds like we are combining two different things, because I think it is two different sets of rules, but if it's a work study session I don't see why we can't discuss both at once.

Mayor Ortega: Vice Mayor Janik. Just a clarification on the motion.

Vice Mayor Janik: That's kind of what I was going to say. That's part of our organizational strategic plan as well. So it sounds to me like all we're doing is putting a date on the ethics discussion because it is in here. But I do need clarification on -- it seems like --

Mayor Ortega: We are only limited to whether or not we would have a work study for that purpose of it. And so that's what the -- as well as including commissions and council. City attorney do you have a roundup here for us.

City Attorney Scott: Yes. Thank you, mayor. This may help clarify it somewhat. The ethics -- the code of ethics that's currently in place does apply to both the council and the board and commission members. So I do think it's -- it would be naturally combined to discuss both.

Mayor Ortega: Thank you. We have a motion and a second. Please record your vote. Thank you. Councilman -- Councilwoman Whitehead, I will return the floor to you. You had another item.

[Time: 02:11:52]

Councilmember Whitehead: Yes, well, actually, I have a second part to this item and then I have a second item. So the second part of this item is this council has been really wonderful about considering equity in this community on many fronts, and so I would like to include a review of our election rules for city council as part of the work study discussion for possible -- for consideration of changes that we can make recognizing that the state is the -- you know, is the body that regulates it, because I believe that we can improve equity in the sense that we can expand the number of people that will be able to run for office.

So that is why I want to add this in. There is a lot of overlap between an election process and the code of ethics. And we received a lot of come plants that combine both. Thank you.

Mayor Ortega: Well, we have a motion. I don't know if we have a second on that.

Councilmember Durham: I will second.

Mayor Ortega: Okay. Just for clarification, once again, back to our city attorney, we already have election law or ordinances pertaining to this. So I believe Councilwoman Whitehead is asking us to revisit those terms or whatever may be already in ordinance form. And is that correct? I mean, there are certain rules and regs already in place.

City Attorney Scott: Certainly, yes, mayor. The -- this is primarily regulated by the state, and the city cannot change what the state already requires, but the city could potentially make some more strict requirements.

And I believe what the motion is, is to consider it in terms of the code of ethics to potentially add a new section related to election rules. It's certainly something we could discuss in a work study but there will be limitations and we would be happy to go over that more with the council if the council voted to put this on a future agenda. Does that answer your question, Mayor?

Mayor Ortega: I don't know that it's clear to me. I also agree that the state statutes pretty much govern our election process and so forth. And if it is a subset of the first work study, which is what you are implying, then we wouldn't necessarily need to -- if it's already in a topic within the code of ethics, if it's not, then we would have to consider this as a separate item.

City Attorney Scott: It's not. It's not currently in the code of ethics, but, yes, we are taking this as a separate motion.

Mayor Ortega: Good.

[Time: 02:14:58]

City Attorney Scott: Just to clarify, I think the motion is to do that work study at the same time as the work study on the code of ethics.

Mayor Ortega: Okay: Well, thank you for clarifying that. We have a motion and a second, which would involve a -- a new chapter potentially discussing election process or ethics and that's very broadly spoken. Please record your vote.

Mayor Ortega: Well, thank you. Are there any other mayor and council items tonight?

Councilmember Whitehead: Yes. I have one additional. Thank you. Thanks, everyone, for your patience. Okay.

So also in 2020, the city council approved funding for a heat island mitigation plan that would be cowritten with the ASU Walton School of Sustainability and I am -- I'm making a motion to -- two parts, I would like to agendize an update on this, and to see if it will also include a general plan 2035 goal of developing a tree canopy plan.

And I -- I guess I would request that this -- this item be agendized in September, if possible, and that's up

to staff.

Councilmember Milhaven: I will second that. Second.

Mayor Ortega: We have a motion and a second. I believe regarding sustainability and interaction with A.S.U. I don't know that there are any conclusions as it moves forward. Please register your vote. Oh, I'm sorry. Wait. Vice Mayor Janik, do you have a question?

Vice Mayor Janik: I guess I'm confused. Are you saying that you want to add another general plan goal or this is the way we would work to implement the general plan goal?

Councilmember Whitehead: Yes, now that we have -- I do not want to edit the general plan 2035. But I do want -- now that we have both this heat island mitigation plan and separately in the general plan a tree canopy plan, I want to make sure that we are working in conjunction and moving forward on both and that they are one and the same, inclusive at least. Thank you.

Mayor Ortega: Thank you very much. Please record your vote. I think it had not erased.

Councilmember Milhaven: I voted yes.

Mayor Ortega: Had hadn't erased -- it hadn't erased. I think that's what happened. Please record your vote. Thank you.

Councilmember Whitehead: Thank you.

ADJOURNMENT

[Time: 02:18:36]

Mayor Ortega: So this is last call for any mayor and council items. Okay. With that, I would ask for a motion to adjourn.

Councilmember Caputi: Motion to adjourn.

Mayor Ortega: Councilwoman Caputi, seconded by Councilwoman Whitehead. Please register your vote. Thank you. We're adjourned.