

**SCOTTSDALE CITY COUNCIL
REGULAR MEETING MINUTES
TUESDAY, AUGUST 20, 2013**



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

CALL TO ORDER

Mayor W.J. "Jim" Lane called to order a Regular Meeting of the Scottsdale City Council at 5:04 P.M. on Tuesday, August 20, 2013, in the City Hall Kiva.

ROLL CALL

Present: Mayor W.J. "Jim" Lane
Vice Mayor Suzanne Klapp
Councilmembers Virginia L. Korte, Robert W. Littlefield, Linda Milhaven,
Guy Phillips, and Dennis E. Robbins

Also Present: City Manager Fritz Behring, City Attorney Bruce Washburn, Acting City
Treasurer Lee Guillory, City Auditor Sharron Walker, and City Clerk
Carolyn Jagger

PLEDGE OF ALLEGIANCE – Brownie Troop 2058, Troop Leader Erin Korhorn

INVOCATION – Pastor Pat Sullivan, Scottsdale Bible Church

MAYOR'S REPORT

Mayor Lane announced that Google named Scottsdale the 2013 eCity of Arizona, recognizing Scottsdale as the strongest online business community in the state. He also reported that Scottsdale was recently recognized as America's 6th safest city and was honored as one of only 28 cities to receive the Certificate of Excellence for Performance Management by the International City & County Management Association. Mayor Lane congratulated City Manager Fritz Behring for being named the 2013 County Leader of the Year by American City & County Magazine.

CITY MANAGER'S REPORT – None

PRESENTATIONS/INFORMATION UPDATES – None

PUBLIC COMMENT – None

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

CONSENT AGENDA

1. **Library Assistance Program Intergovernmental Agreement**
Request: Adopt **Resolution No. 9482** authorizing Intergovernmental Agreement No. 2013-129-COS with the Maricopa County Library District for the Library Assistance Program.
Staff Contact(s): William Murphy, Community Services Executive Director, 480-312-7954, bmurphy@scottsdaleaz.gov
2. **Public Safety Radio Intergovernmental Agreement**
Request: Adopt **Resolution No. 9511** authorizing Intergovernmental Agreement No. 2013-141-COS with Maricopa County and the State of Arizona Department of Public Safety for the installation and operation of municipal and public safety radio communications on the County property on Thompson Peak.
Staff Contact(s): Brad Hartig, Information Technology Executive Director, 480-312-7615, bhartig@scottsdaleaz.gov
3. **Independent Medical Examination Services Contracts**
Request: Adopt **Resolution No. 9483** authorizing one-year extensions for the following independent medical examination services contracts for the period of July 1, 2013 through June 30, 2014:
 1. Contract No. 2012-043-COS with Medical Consultants Network, LLC
 2. Contract No. 2012-044-COS with Country-Wide Independent Exams, LLC/Columbia Medical Consultants
 3. Contract No. 2012-045-COS with MES Solutions
 4. Contract No. 2012-046-COS with Alliance Evaluation Services, LLC
 5. Contract No. 2012-047-COS with Exam Works, Inc.**Staff Contact(s):** Bruce Davis, Human Resources Executive Director, 480-312-2615, bdavis@scottsdaleaz.gov
4. **Maricopa Association of Governments Annual Membership Dues**
Request: Adopt **Resolution No. 9487** authorizing payment of annual membership dues in the amount of \$18,635 to the Maricopa Association of Governments for FY 2013/14.
Staff Contact(s): Brad Lundahl, Government Relations Director, 480-312-2683, blundahl@scottsdaleaz.gov
5. **National League of Cities Annual Membership Dues**
Request: Adopt **Resolution No. 9486** authorizing the payment of annual membership dues in the amount of \$12,468 to the National League of Cities.
Staff Contact(s): Brad Lundahl, Government Relations Director, 480-312-2683, blundahl@scottsdaleaz.gov
6. **Erica Rahn v. City of Scottsdale Legal Services Contract**
Request: Adopt **Resolution No. 9496** authorizing legal fees to be incurred in Contract No. 2013-134-COS with Ryley Carlock & Applewhite, in an amount not to exceed \$70,000, for the legal defense of the City and its employees *in Erica Rahn v. City of Scottsdale*, currently pending in the State of Arizona, Maricopa County Superior Court, Case Number CV2012-017693.
Staff Contact(s): Bruce Washburn, City Attorney, 480-312-2405, bwashburn@scottsdaleaz.gov

- 6A. Sky Construction and Engineering, Inc. v. City of Scottsdale, et al. Settlement Request:** Adopt **Resolution No. 9513** authorizing Settlement Agreement No. 2013-143-COS providing for the payment of \$400,000 in order to settle the lawsuit entitled *Sky Construction and Engineering, Inc. v. City of Scottsdale, et al.*, currently pending in the Maricopa County Superior Court, Cause Number CV2013-001641.
Staff Contact(s): Daniel Worth, Public Works Executive Director, 480-312-5555, dworth@scottsdaleaz.gov

MOTION AND VOTE - CONSENT AGENDA

Vice Mayor Klapp made a motion to approve Consent Items 1 through 6A. Councilman Robbins seconded the motion, which carried 7/0.

REGULAR AGENDA

- 7. Scottsdale Mountain Villas Rezoning (3-ZN-2013)**
Requests:
1. At the request of the applicant, continue to September 24, 2013.
 2. If the continuance is not granted: Adopt **Ordinance No. 4097** approving a zoning district map amendment from Single-Family Residential-Environmentally Sensitive Lands (R1-43 ESL) to Single-Family Residential-Environmentally Sensitive Lands (R1-5 ESL) zoning; and finding that the proposed zoning district map amendment is consistent and conforms with the adopted General Plan on approximately 5± acres.
- Location:** South side of E. Coyote Road, west of N. 135th Place
Presenter(s): Keith Niederer, Senior Planner
Staff Contact(s): Randy Grant, Planning, Neighborhood, and Transportation Administrator, 480-312-2664, rgrant@scottsdaleaz.gov

MOTION AND VOTE - ITEM 7

Councilmember Korte made a motion to continue the Scottsdale Mountain Villas Rezoning to September 24, 2013. Vice Mayor Klapp seconded the motion, which carried 7/0.

- 8. Monthly Financial Update**
Request: Receive, discuss, and provide possible direction on the City Treasurer's monthly financial presentation as of July 2013.
Presenter(s): Joyce Gilbride, Accounting Director
Staff Contact(s): Judy McIlroy, Budget Director, 480-312-2603, jmcilroy@scottsdaleaz.gov

Accounting Director Joyce Gilbride gave a PowerPoint presentation (attached) on the City's financial status as of July 2013.

MAYOR AND COUNCIL

- 9. Boards, Commissions, and Task Force Nominations (Note: Interviews and appointments scheduled for September 10, 2013)**

Airport Advisory Commission (*one vacancy*) - Councilman Phillips nominated Ken Casey.

Board of Adjustment (*one vacancy*) - Councilmember Korte nominated Marty Goodman, Councilman Littlefield nominated Kevin Small, Mayor Lane nominated Sajid Mahmud, and Councilwoman Milhaven nominated Paul Garry.

Human Relations Commission (*two vacancies*) - Councilman Littlefield nominated Sandra Schenkat and Andrew Song, Mayor Lane nominated Robin Murphy, and Vice Mayor Klapp nominated Laurie Coe.

Judicial Appointments Advisory Board (*one vacancy*) - Mayor Lane nominated Sandra Schenkat and Vice Mayor Klapp nominated Laurie Coe.

Loss Trust Fund Board (*one vacancy*) - Vice Mayor Klapp nominated Matthew Kleifield.

Planning Commission (*one vacancy*) - Councilwoman Milhaven nominated Michael Edwards and Councilman Phillips nominated Tim Stratton.

Tourism Development Commission (*one non-hotelier vacancy*) - Councilman Robbins nominated Ace Bailey and Councilman Phillips nominated Richard Alt.

PUBLIC COMMENT – None

CITIZEN PETITIONS

10. Receipt of Citizen Petitions

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

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

No citizen petitions were received.

MAYOR AND COUNCIL ITEMS – None

ADJOURNMENT

With no further business to discuss, the Regular Meeting adjourned at 5:30 P.M.

SUBMITTED BY:



Carolyn Jagger
City Clerk

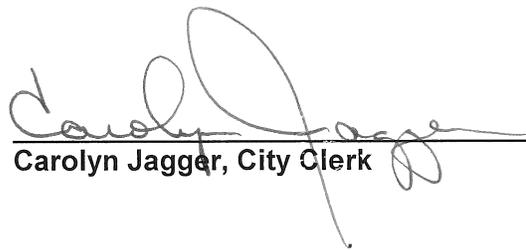
Officially approved by the City Council on September 10, 2013

CERTIFICATE

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Regular Meeting of the City Council of Scottsdale, Arizona held on the 20th day of August 2013.

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

DATED this 10th day of September 2013.



Carolyn Jagger, City Clerk

Monthly Financial Update As of July 31, 2013

City Council
August 20, 2013
Prepared by: Finance and Accounting Division

General Fund Operating Sources July 2013: Fiscal Year to Date

(in millions: rounding differences may occur)

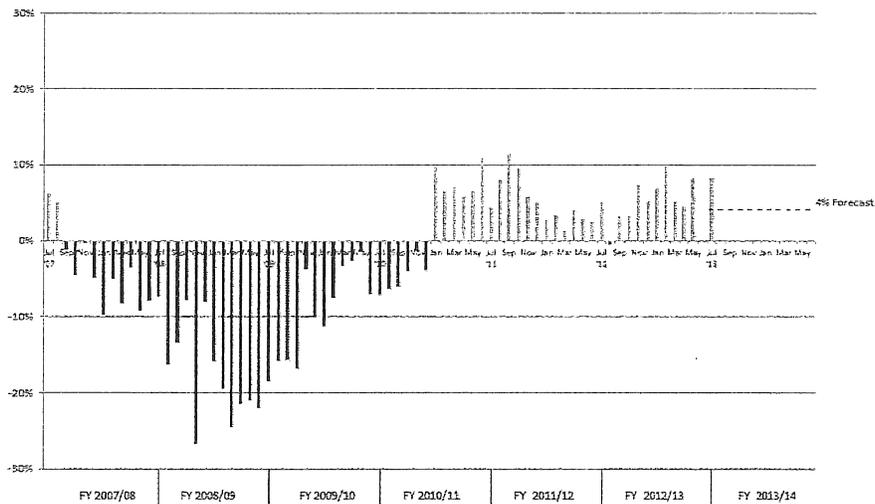
| Sources Category | FY 11/12 | FY 12/13 | FY 13/14 | FY 13/14 Budget | Actual vs. Budget | |
|-----------------------------------|---------------|---------------|---------------|--------------------|-------------------|-----------|
| | Actual | Actual | Actual | | Fav/(Unf) | % |
| Sales Tax: 1.0% General Purpose | \$6.5 | \$6.7 | \$7.2 | \$7.0 | \$0.1 | 2% |
| 0.1% Public Safety | 0.6 | 0.7 | 0.7 | 0.7 | - | - |
| State Shared: Sales Tax | 1.4 | 1.4 | 1.5 | 1.6 | - | - |
| Revenue | 1.5 | 1.9 | 2.0 | 2.0 | - | - |
| Auto Lieu Tax | 0.7 | 0.6 | 0.4 | 0.7 | (0.4) | (51%) |
| Property Taxes (Primary) | 0.4 | 0.3 | 0.3 | 0.4 | (0.2) | (34%) |
| Franchise Fees/In-Lieu Tax | 1.8 | 1.1 | 2.0 | 1.8 | 0.1 | 8% |
| Other: Licenses, Permits & Fees | 0.4 | 0.4 | 0.4 | 0.5 | (0.1) | (19%) |
| Fines & Forfeitures | 0.6 | 0.6 | 0.5 | 0.6 | (0.0) | (7%) |
| Miscellaneous | 0.8 | 0.8 | 0.6 | 0.3 | 0.3 | nm |
| Building Permits | 0.8 | 0.6 | 1.5 | 0.7 | 0.8 | nm |
| Interest Earnings | 0.4 | 0.1 | 0.2 | 0.1 | 0.1 | nm |
| Indirect Cost Allocations | 0.7 | 0.6 | 0.5 | 0.5 | - | - |
| Transfers In | 2.7 | 0.7 | 0.7 | 0.7 | - | - |
| <i>Subtotal Operating Sources</i> | <u>\$19.3</u> | <u>\$16.4</u> | <u>\$18.5</u> | <u>17.7</u> | <u>0.8</u> | <u>4%</u> |
| Bed Taxes | 0.6 | 0.7 | - | - | - | - |
| <i>Total Operating Sources</i> | <u>\$19.9</u> | <u>\$17.1</u> | <u>\$18.5</u> | <u>\$17.7</u> | <u>\$0.8</u> | <u>4%</u> |

General Fund Operating Sources: Sales Tax July 2013: Fiscal Year to Date

(in millions: rounding differences may occur)

| 1.0% Sales Tax Category | FY 11/12 | FY 12/13 | FY 13/14 | FY 13/14 | Actual vs. Budget | |
|-------------------------------|----------|----------|----------|----------|-------------------|-----|
| | Actual | Actual | Actual | Budget | Fav/(Unf) | % |
| <u>Consumer Spending:</u> | | | | | | |
| Small retail stores | \$1.0 | \$1.2 | \$1.2 | \$1.2 | - | - |
| Large retail stores | 0.7 | 0.7 | 0.7 | 0.7 | - | - |
| Misc goods & services | 0.4 | 0.4 | 0.6 | 0.4 | 0.1 | 36% |
| Grocery & convenience | 0.5 | 0.5 | 0.5 | 0.5 | - | - |
| Auto sales & maintenance | 0.7 | 0.8 | 1.0 | 0.9 | 0.1 | 7% |
| <u>Tourism/Entertainment:</u> | | | | | | |
| Hotel lodging & misc sales | 0.2 | 0.2 | 0.2 | 0.2 | - | - |
| Restaurants & bars | 0.5 | 0.6 | 0.6 | 0.6 | - | - |
| <u>Business:</u> | | | | | | |
| Construction | 0.7 | 0.7 | 0.8 | 0.8 | - | - |
| Rental | 1.0 | 1.0 | 1.1 | 1.1 | - | - |
| Utilities | 0.4 | 0.4 | 0.4 | 0.4 | - | - |
| Licenses, penalties/interest | 0.1 | 0.1 | 0.1 | 0.1 | - | - |
| Subtotal 1.0% Sales Tax | \$6.3 | \$6.6 | \$7.1 | \$7.0 | \$0.1 | 2% |
| Large Audit Adjustments | 0.2 | - | - | - | - | - |
| Total 1.0% Sales Tax | \$6.5 | \$6.7 | \$7.2 | \$7.0 | \$0.1 | 2% |

General Fund Sales Tax: 1.0% General Purpose – Year over Year Change (excluding large audit adjustments)



General Fund Operating Uses: by Category July 2013: Fiscal Year to Date

(in millions: rounding differences may occur)

| Category | FY 11/12 | FY 12/13 | FY 13/14 | FY 13/14 | Actual vs. Budget | |
|---|---------------|---------------|---------------|---------------|-------------------|-------------|
| | Actual | Actual | Actual | Budget | Fav/(Unf) | % |
| Personnel Services*: | | | | | | |
| Salaries & Wages | \$9.1 | \$9.1 | \$9.0 | \$8.9 | (0.1) | (1%) |
| Overtime | 0.3 | 0.6 | 0.6 | 0.4 | (0.2) | (35%) |
| FICA | 0.6 | 0.6 | 0.6 | 0.6 | - | - |
| Retirement | 1.1 | 1.2 | 1.3 | 1.4 | - | - |
| Health/Dental & Misc | 1.1 | 1.2 | 1.3 | 1.3 | - | - |
| <i>Total Personnel Services</i> | <u>\$12.2</u> | <u>\$12.8</u> | <u>\$12.8</u> | <u>\$12.7</u> | <u>(\$0.1)</u> | <u>(1%)</u> |
| Contractual, Commodities, Capital Outlay | 3.6 | 4.2 | 5.6 | 6.0 | 0.4 | |
| <i>Total Operating Expenses</i> | <u>\$15.8</u> | <u>\$17.1</u> | <u>\$18.3</u> | <u>\$18.6</u> | <u>\$0.3</u> | <u>2%</u> |
| Debt Serv. & Contracts | 0.2 | 0.2 | - | - | - | - |
| Transfers Out | - | - | - | - | - | - |
| <i>Total Operating Uses</i> | <u>\$16.0</u> | <u>\$17.3</u> | <u>\$18.3</u> | <u>\$18.6</u> | <u>\$0.3</u> | <u>2%</u> |
| *Pay Periods thru July: | 2 | 2 | 2 | | | |

General Fund Operating Uses: by Division July 2013: Fiscal Year to Date

(in millions: rounding differences may occur)

| Division | FY 11/12 | FY 12/13 | FY 13/14 | FY 13/14 | Actual vs. Budget | |
|-----------------------------------|---------------|---------------|---------------|---------------|-------------------|-----------|
| | Actual | Actual | Actual | Budget | Fav/(Unf) | % |
| Mayor & Council, Charter Officers | \$1.4 | \$1.6 | \$1.6 | \$1.7 | \$0.1 | 7% |
| Administrative Services | 1.3 | 1.2 | 1.4 | 1.4 | (0.1) | -5% |
| Comm. & Econ Development | 2.2 | 2.2 | 2.2 | 2.3 | 0.1 | 3% |
| Community Services | 2.4 | 2.7 | 2.8 | 2.7 | (0.1) | -2% |
| Public Safety | 0.8 | 0.8 | 1.6 | 1.2 | (0.3) | -25% |
| Public Safety - Fire | 1.8 | 2.2 | 2.4 | 2.3 | (0.1) | -6% |
| Public Safety - Police | 5.0 | 5.5 | 5.6 | 5.6 | - | - |
| Public Works | 1.0 | 0.9 | 0.7 | 1.4 | 0.7 | 48% |
| <i>Total Operating Expenses</i> | <u>\$15.8</u> | <u>\$17.1</u> | <u>\$18.3</u> | <u>\$18.6</u> | <u>\$0.3</u> | <u>2%</u> |

General Fund Results: Summary July 2013: Fiscal Year to Date

(in millions: rounding differences may occur)

| | FY 11/12 Actual | FY 12/13 Actual | FY 13/14 Actual | FY 13/14 Budget | Actual vs. Budget | |
|------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|----|
| | | | | | Fav/(Unf) | % |
| Sources | \$19.9 | \$17.1 | \$18.5 | \$17.7 | \$0.8 | 4% |
| Uses | 16.0 | 17.3 | 18.3 | 18.6 | 0.3 | 2% |
| Change in Fund Balance | \$3.9 | (\$0.2) | \$0.2 | (\$0.9) | \$1.1 | |