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CALL TO ORDER

Mayor Lane: GOOD AFTERNOON EVERYONE WE WILL CALL TO ORDER OUR CITY COUNCIL MEETING. IT IS APPROXIMATELY 4:10.

ROLL CALL

[Time: 00:00:12]

City Clerk Carolyn Jagger: THANK YOU YOUR HONOR. MAYOR JIM LANE.

Mayor Lane: PRESENT.

Carolyn Jagger: VICE MAYOR SUZANNE KLAPP.

Vice Mayor Klapp: HERE.

Carolyn Jagger: COUNCILMEMBERS VIRGINIA KORTE.

Councilmember Korte: HERE.

Carolyn Jagger: BOB LITTLEFIELD.

Councilman Littlefield: HERE.

Carolyn Jagger: LINDA MILHAVEN.

Councilwoman Milhaven: HERE.

Carolyn Jagger: GUY PHILLIPS.

Councilmember Phillips: HERE.

Carolyn Jagger: DENNIS ROBBINS.

Councilman Robbins: HERE.

Carolyn Jagger: ACTING CITY MANAGER DAN WORTH.

Acting City Manager Dan Worth: HERE.

Carolyn Jagger: DEPUTY CITY ATTORNEY SHERRY SCOTT.

Deputy City Attorney Sherry Scott: HERE.

Carolyn Jagger: CITY TREASURER DAVID SMITH.

David Smith: PRESENT.

Carolyn Jagger: CITY AUDITOR SHARRON WALKER.

City Auditor Sharron Walker: HERE.

Carolyn Jagger: AND THE CLERK IS PRESENT.

Mayor Lane: THANK YOU. IF YOU WOULD LIKE TO SPEAK ON ANY TOPIC FOR PUBLIC COMMENT WE HAVE WHITE CARDS HELD OVER THE CITY CLERK'S HEAD FOR YOUR REQUEST TO SPEAK ON ANY TOPIC AND SHE NOW HAS A YELLOW CARD FOR ANY WRITTEN COMMENT YOU WOULD LIKE TO GIVE ON THE AGENDA. WE WILL READ THOSE THROUGH THE COURSE OF THE EVENING. WE DO HAVE SCOTTSDALE POLICE OFFICERS IN FRONT OF ME IF YOU HAVE NEED OF ANY ASSISTANCE. THE AREAS BEHIND THE DAIS ARE RESERVED FOR COUNCIL AND STAFF ONLY. WE HAVE OVER HERE FACILITIES TO MY LEFT UNDER THAT RESTROOM SIGN FOR YOUR CONVENIENCE. I WOULD ASK THAT WE STAND FOR THE PLEDGE OF ALLEGIANCE AND COUNCILMEMBER MILHAVEN LEAD US IN THE PLEDGE.

PLEDGE OF ALLEGIANCE

[Time: 00:01:23]

I PLEDGE ALLEGIANCE TO THE FLAG OF THE UNITED STATES OF AMERICA AND TO THE REPUBLIC FOR WHICH IT STANDS, ONE NATION, UNDER GOD, INDIVISIBLE WITH LIBERTY AND JUSTICE FOR ALL.

Mayor Lane: THANK YOU COUNCILWOMAN.

Councilwoman Milhaven: MY PLEASURE.

INVOCATION

[Time: 00:01:52]

Mayor Lane: IN PLACE OF ANY INVOCATION FOR THIS EVENING'S MEETING I WOULD ASK WE TAKE A FEW MOMENTS FOR THOUGHT OR PRAYER FOR THOSE VICTIMS AND FOR THE ENTIRE CITY OF BOSTON OVER THE TRAGEDY THAT HAVE BEFALLEN OVER THEM YESTERDAY. THANK YOU.

THERE IS NO REPORT FROM THE CITY MANAGER, CORRECT MR. WORTH?

Acting City Manager Dan Worth: MAYOR, THAT'S CORRECT.

PUBLIC COMMENT

[Time: 00:02:40]

Mayor Lane: AND I HAVE NO ADDITIONAL REPORT. NO PRESENTATIONS. WE WILL MOVE TO PUBLIC COMMENT. PUBLIC COMMENT IS RESERVED FOR COMMENTS WITH NO AGENDA ITEMS. SPEAKERS ARE LIMITED TO 3 MINUTES EACH WITH MAXIMUM OF 5 SPEAKERS AND THERE WILL BE ANOTHER OPPORTUNITY AT THE END. WE DO HAVE ONE REQUEST TO SPEAK FOR PUBLIC COMMENT AND IS FROM JUAN AND FRANCES BURRUEL. I UNDERSTAND WILL YOU BE COMING FORWARD TOGETHER.

I'M SORRY, I HAVE THAT INCORRECT. IT IS JUAN BAHENA, PARDON ME FOR THAT AND FRANCES BURRUEL. THANK YOU FRANCES AND JUAN.

Frances Burruel: MY NAME IS FRANCES BURRUEL AND JUAN BAHENA AND I RECENTLY PARTICIPATED IN A SCOTTSDALE SISTER CITY STUDENT EXCHANGE WITH OUR SISTER CITY IN MEXICO. 9 STUDENTS CAME UP. THEY HAD HOSTS FROM 3 DIFFERENT HIGH SCHOOLS AND WE HAD A FULL WEEK OF ACTIVITIES AND JUAN WILL SHARE SOME INFORMATION. HE WAS ONE OF THE GUEST HOSTS AND I WILL SHARE ALSO SOME OTHER INFORMATION.

Juan Bahena: HELLO SO MY NAME IS JUAN. I'M CURRENTLY A SENIOR AND I WAS HOSTING THE STUDENTS FROM MEXICO. WE SHOWED THEM DIFFERENT PLACE AROUND, FOR EXAMPLE WE TOOK THEM TO 3 SCHOOLS. THEY ATTENDED SCHOOLS AND SAW HOW THE SCOTTSDALE DISTRICT IS AND OUR STUDENTS LEARN FROM THEIR SCHOOL IN MEXICO. THEY WERE ABLE TO SEE WHAT PRIVILEGES WE HAVE HERE IN SCOTTSDALE SO THAT WAS GREAT AND WE GOT TO SHOW THEM THE GARDENS IN SCOTTSDALE AND THE PLANT AND INSECT LIFE SCOTTSDALE OFFERS AND THEY WENT TO A PLACE TO GO LINE DANCING. WE ALSO VISITED OLD TOWN. OVERALL WE BUILT INTERNATIONAL FRIENDSHIPS WITH OUR FRIENDS IN MEXICO. WE STILL KEEP IN TOUCH WITH THEM AND RECENTLY THEY HAVE INVITED US TO VISIT OVER THERE. I'M PLANNING TO VISIT IN THE SUMMER AND WE WERE ABLE TO BUILD AWARENESS OF ALAMOS, MEXICO OF THEIR EDUCATION AND CULTURE. IT WAS GREAT FOR OUR SCHOOL COMMUNITY IN SCOTTSDALE.

Frances Burruel: ONE OF THE THINGS WE DID WAS WE WENT TO ELEMENTARY SCHOOLS AND THE STUDENTS GAVE A SPANISH CLASS. WE WERE ALL OUTSIDE AND THERE WERE 3 OR 4 STUDENTS TO 1 FROM ALAMOS. YOU CAN SEE THE GROUP PICTURE. THEY BROUGHT US ALL T-SHIRTS. AFTER WE VISITED WE WENT TO THE GAZEBO AT THE RAIL ROAD PARK WHICH IS THE EXACT REPLICA OF THE GAZEBO IN ALAMOS. AND MR. VELARDE WHO IS THE PRINCIPAL AT PUEBLO, SANG O SOLO MIO BUT HE CHANGED THE WORDS TO THERE ARE NO MORE TORTILLAS, I HAVE ONLY BREAD. IT WAS A WONDERFUL CULTURAL EXCHANGE AT THE RAILROAD PARK AND ON THE TRAIN AND THE ASSISTANT MANAGER OF THE PARK SHOWED US A PHOTOGRAPH OF WHEN THE GAZEBO WAS DEDICATED IN 1987. IT WAS THE MAYOR AND THE GROUP VISITING IN SCOTTSDALE. IT WAS A WIN-WIN AND A HAPPY TIME. THANK YOU VERY MUCH.

CONSENT AGENDA

[Time: 00:07:49]

Mayor Lane: THANK YOU FRANCES AND THANK YOU JUAN. THAT COMPLETES THE PUBLIC COMMENT. NOW WE'LL MOVE ON TO CONSENT ITEMS 1 THROUGH 4A. WE DO HAVE A REQUEST TO SPEAK ON ONE OF THOSE ITEMS. NANCY CANTOR IF YOU WOULD LIKE TO COME FORWARD.

[Time: 00:08:12]

Nancy Cantor: MY INFORMATION IS ON RECORD AD NAUSEUM PROBABLY. I AM A LITTLE BIT UPSET. BELLEVIEW STREET HAS BEEN AN ISSUE WITH THE HOUSING BOARD FOR ALMOST THE WHOLE TIME I WAS ON IT. TWO YEARS AGO WE SENT A REQUEST FOR COUNCIL TO FORECLOSE ON CSA, BECAUSE THEY WERE 3 YEARS BEHIND IN THEIR CONTRACT, IN VIOLATION OF THEIR CONTRACT WITH THE CITY OF SCOTTSDALE. NOW WE ARE IN A SITUATION WHERE WE HAVE TO MAKE A HURRY UP DECISION. THERE'S A STATEMENT THAT REALLY BOTHERS ME BECAUSE THE USE OF THE PROPERTY WILL BE RESTRICTED AND THE PURCHASER WILL BE REQUIRED TO COMPLETE REHABILITATION IN A SHORT PERIOD OF TIME, THE AMOUNT REALIZED BY THE CITY WILL BE LESS THAN THE AMOUNT PAID. IT WILL OFFSET THE CITY'S COST FOR THE PROPERTIES. YOU HAVE A HOUSING STRATEGY IN THE CITY OF SCOTTSDALE APPROVED BY COUNCIL IN 2000. I HAVE YET TO SEE IT ADDRESSED. THAT CALLS FOR SAFE AFFORDABLE HOUSING. OTHER MEMBERS CONTACTED ME AND THAT'S WHY I AM HERE. NO IT IS NOT, I WOULD HAVE BEEN HERE ON MY OWN. WE DON'T WANT TO SEE LOW-INCOME HOUSING SUB STANDARD HOUSING IN SCOTTSDALE. SO FAR HUMAN SERVICES HASN'T DONE IT. IN FACT WHEN THE HOUSING BOARD ASKED FOR A JOINT MEETING WITH THEM IN 2010 AND MADE THE RECOMMENDATION TO COUNCIL TO FORECLOSE, THE HUMAN SERVICES COMMISSION DIDN'T HAVE THE INFORMATION THAT WAS DISCLOSED TO US BY THE HEAD OF THE DEPARTMENT AT THAT TIME. THIS IS A SERIOUS SITUATION OF NO COMMUNICATION BETWEEN BOARDS AND COMMISSIONS AND STAFF. NOW YOU ARE IN A POSITION WHERE YOU HAVE TO WALK ALMOST ON EGGS TO MAKE SURE THIS WILL BE DONE RIGHT. I CAN ASSURE YOU THE PREVIOUS MEMBERS OF THE HOUSING BOARD INVOLVED CONSTRUCTION ARE WATCHING AND WILL BE THERE. THIS DIDN'T HAVE TO BE THIS WAY.

Mayor Lane: THANK YOU MISS CANTOR. THAT COMPLETES THE COMMENTS ON THE CONSENT ITEMS 1 THROUGH 4A. COUNCILMEMBER ROBBINS.

[Time: 00:11:05]

Councilman Robbins: THANK YOU MAYOR. CAN I ASK MS. SCOTT ON THIS ISSUE IF THERE IS A PROBLEM IF WE DELAY THIS?

Deputy City Attorney Sherry Scott: MAYOR LANE, COUNCILMAN ROBBINS, I DON'T HAVE THE POTENTIAL CONTRACT THAT HAS BEEN NEGOTIATED IN FRONT OF ME SO I DON'T KNOW IF THERE'S A TIME PERIOD IN THAT. I'M WONDERING IF BILL MURPHY KNOWS.

Community Services Executive Director Bill Murphy: MAYOR LANE, COUNCILMAN ROBBINS, WE ARE ON A TIME FRAME WITH THE REPORTING THAT WE NEED TO DO BACK TO HUD. WE AT THIS POINT HAVE BEEN NOTIFIED THAT THERE ARE ACTUALLY WANT TO THE KNOW WHAT HAS HAPPENED ON THE BELLEVIEW PROPERTIES BECAUSE THE FUNDING WE GOT FOR THIS 5 YEARS AGO, THERE HAS BEEN NOTHING THAT HAS OCCURRED DOWN THERE. SO THE CRITERIA WE HAVE FROM THEM NOW IS A YEAR ROUGHLY THE END OF MARCH 2014 TO HAVE THIS COMPLETED.

Councilman Robbins: SO COMPLETED MEANING PURCHASED, REHABBED AND BACK OUT ON THE MARKET.

Bill Murphy: CORRECT.

Councilman Robbins: AND SO WHAT WAS THE POTENTIAL, WHEN IS THIS SUPPOSED TO CLOSE, WHAT'S THE CLOSING DATE.

Bill Murphy: I DON'T HAVE THAT INFORMATION BUT WE CAN GET THAT FOR YOU. I'M ASSUMING THE CLOSING OF THIS WILL BE FAIRLY QUICK

Sherry Scott: MAYOR LANE AND COUNCILMEMBER ROBBINS, I APOLOGIZE I DON'T HAVE THAT CONTRACT OR THE POTENTIAL CONTRACT IN FRONT OF ME. MY ASSUMPTION IS THAT IN TOWARD MOVING FORWARD WITH THIS VOLUNTARY PURCHASE THAT THE CURRENT OWNER WOULD BE ON A TIME FRAME. I'M ASSUMING THIS IS A TIME FRAME IN THE CONTRACT.

Mayor Lane: THANK YOU COUNCILMEMBER. COUNCILMEMBER LITTLEFIELD.

[Time: 00:13:48]

Councilman Littlefield: WELL MISS CANTOR'S POINTS ARE WELL TAKEN AND IN FACT WE HAVEN'T BEEN FOLLOWING OUR OWN POLICY BUT AS A RESULT WE ARE IN A POSITION WE NEED TO DO THIS SO THE VERY FACT THAT WE DIDN'T FOLLOW THOSE POLICIES HAS PUT US IN A POSITION WE ARE IN A HURRY AND WE DO HAVE TO DO THIS RIGHT NOW. SO I WILL GO AHEAD AND MOVE TO ACCEPT THE CONSENT AGENDA.

Mayor Lane: MOTION MADE TO ACCEPT THE CONSENT AGENDA AND HAS BEEN SECONDED. SEEING NO FURTHER COMMENTS AND WE HAVE IT ON MOTION. ALL READY TO VOTE IN FAVOR INDICATE BY SAYING AYE. MOTION PASSED AS UNANIMOUS FOR CONSENT ITEMS 1 THROUGH 4A

REGULAR AGENDA

[Time: 00:14:28]

ITEM 5: ASSOCIATE CITY JUDGE REAPPOINTMENT

Mayor Lane: MOVING ON TO OUR REGULAR AGENDA. THE FIRST ITEM ON THE REGULAR AGENDA IS THE ASSOCIATE CITY JUDGE REAPPOINTMENT WHICH HAS BEEN MOVED TO APRIL 30th, THIS MONTH. SO THAT WILL NOT BE HEARD TONIGHT

ITEM 6: PUBLIC HEARING ON COMMUNITY DEVELOPMENT BLOCK GRANT AND HOME INVESTMENT PARTNERSHIP PROGRAM FISCAL YEAR 2013/14 ANNUAL ACTION PLAN

[Time: 00:14:50]

Mayor Lane: WE WILL MOVE ON TO ITEM 6 A PUBLIC HEARING ON COMMUNITY DEVELOPMENT BLOCK HOME INVESTMENT PARTNERSHIPS FISCAL YEAR 2013 ANNUAL ACTION PLAN.

Councilmember Korte: MAYOR LANE.

Mayor Lane: YES COUNCILMEMBER.

Councilmember Korte: I WILL BE RECUSING MYSELF FROM THIS DISCUSSION AND VOTE AND EXIT THE DAIS THROUGH THIS DECISION.

Mayor Lane: VERY GOOD. THANK YOU COUNCILWOMAN. WE DO HAVE MR. MURPHY HERE TO GO THROUGH THE REQUESTS ON THIS ITEM.

[Time: 00:15:24]

Community Services Executive Director Bill Murphy: GOOD EVENING MAYOR LANE, COUNCIL. THE PURPOSE OF TONIGHT'S PUBLIC HEARING IS TO REQUEST ADOPTION OF RESOLUTION 9367 WHICH APPROVES THE FISCAL YEAR 2013-14 ACTION PLAN AND FUNDING RECOMMENDATION FROM THE HUMAN SERVICES COMMISSION FOR COMMUNITY DEVELOPMENT BLOCK GRANT AND HOME INVESTMENT PARTNERSHIP PROGRAMS. THE CITY OF SCOTTSDALE HAS PARTICIPATED IN AND ADMINISTERED THE CDBG PROGRAM FOR THE PAST 38 YEARS. IT IS A FEDERAL PROGRAM ADMINISTERED BY THE UNITED STATE'S DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT THAT AWARDS FUNDS TO POPULATIONS GREATER THAN 50 THOUSAND. ACTIVITIES MUST MEET ONE OF THE 3 NATIONAL OBJECTIVES: BENEFIT THE LOW- AND MODERATE-INCOME PERSONS, AID OR PREVENTION OR ELIMINATION OF SLUM OR BLIGHT, AND MEET EMERGENCY COMMUNITY NEEDS SUCH AS DAMAGE FROM FLOODS OR EARTHQUAKES. ELIGIBLE EXPENDITURES ARE LIMITED TO:

PUBLIC SERVICES, HOUSING ACTIVITIES, PUBLIC FACILITIES, ECONOMIC DEVELOPMENT, AND PROGRAM ADMINISTRATION. A MINIMUM OF 70% OF THE CDBG FUNDS MUST BENEFIT LOW- AND MODERATE-INCOME HOUSEHOLDS AND ALL ACTIVITIES FUNDED MUST BE CONSISTENT WITH THE PRIORITIES WITH THE HUD MANDATED CONSOLIDATED PLAN APPROVED BY THE CITY COUNCIL APRIL 13th, 2010.

Mayor Lane: EXCUSE ME MR. MURPHY. THERE YOU GO.

Bill Murphy: WE'RE ON TRACK NOW.

Mayor Lane: YOU'RE ON TRACK NOW.

[Time: 00:17:32]

Bill Murphy: MY NEXT SLIDE WILL BE TO DATE. THE CITY HAS PARTICIPATED IN THE HOME INVESTMENT PROGRAM SINCE ITS INCEPTION FOR 19 YEARS. HOME FUNDS ARE AVAILABLE FROM HUD, THROUGH THE CITY'S PARTICIPATION IN THE MARICOPA COUNTY HOME CONSORTIUM, WHERE OTHER MEMBERS OF THE COMMUNITY INCLUDING THE CITIES OF TEMPE, CHANDLER, GILBERT, AVONDALE AND SURPRISE. THE HOME FUNDS MAY BE USED TO SUPPORT HOUSING AND TO INCREASE HOME OWNERSHIP OPPORTUNITIES FOR LOW INCOME RESIDENTS. HOME FUNDS REQUIRE MATCHING FUNDS OF NO LESS THAN 25% FROM A NON FEDERAL SOURCE. IT REQUIRES OUR SUB RECIPIENTS TO PROVIDE THESE FUNDS. THE CONDITION IS THE RECIPIENTS ARE REQUIRED TO DEVELOP A PLAN EVERY FIVE YEARS. IT WAS COMPLETED AND APPROVED BY THE CITY COUNCIL ON APRIL 13, 2010. ANNUALLY HUD REQUIRES AN ACTION PLAN WHICH DESCRIBES SPECIFIC PLANS USED BASED ON PRIORITIES IDENTIFIED IN THE 5 YEAR CONSOLIDATED PLAN. THE PLAN IS PREPARED IN ACCORDANCE WITH THE NEEDS OF THAT YEAR. THE PLAN SERVES AS THE CITY'S APPLICATION AND IS DUE TO HUD ON MAY 15th 2013. EACH YEAR THE CITY SOLICITS APPLICATIONS FROM NONPROFITS TO DELIVER SERVICES TO LOW- AND MODERATE-INCOME FAMILIES. THE APPLICATIONS ARE EVALUATED AND FUNDED BASED ON KEY STRATEGIC OBJECTIVES IDENTIFIED BY THE CITY'S FIVE YEAR PLAN. IT IS THE COMMISSION'S RESPONSIBILITY TO REVIEW AND EVALUATE ALL THE PROPOSALS AND TO MAKE RECOMMENDATIONS TO THE CITY COUNCIL. THIS EVALUATION PROCESS INCLUDES SEVERAL PUBLIC HEARINGS, ELIGIBLE ACTIVITIES AND AMOUNTS AVAILABLE. THE COMMISSION HEARS PRESENTATIONS FROM THE AGENCIES REQUESTING THE FUNDING. THEY SCORE EACH PROPOSAL BASED ON 7 SPECIFIC CRITERIA AND DELIBERATE ON THE AMOUNT OF FUNDING THAT WILL BE AWARDED. EACH YEAR THE FUNDING REQUESTS INCREASE WHILE THE AVAILABILITY FOR FEDERAL FUNDS DECREASES. WE ALSO HAVE REQUESTS FROM THOSE WHO HAVE NOT REQUESTED IN THE PAST. IT IS A HIGHLY COMPETITIVE PROCESS AND UNFORTUNATELY GOOD APPLICATIONS ARE NOT ABLE TO BE FUNDED. THE FEDERAL REGULATIONS REQUIRE THAT THE GRANTEES HOLD AT LEAST TWO PUBLIC HEARINGS IN THE DEVELOPMENT OF THE ACTION PLAN TO GET CITIZEN COMMENTS. THE CITY HELD 5 PUBLIC HEARINGS WITH THE COMMISSION TO ALLOCATE FUNDS AND TO DEVELOP THE ANNUAL PLAN. THEY ARE LISTED HERE ON THE SCREEN. THE FUNDING PROCESS BEGAN WITH AN APPLICATION PROCESS IN OCTOBER OUTLINING THE APPLICATION PROCESS, EXPLAINING THE AVAILABLE FUNDING REQUIREMENTS. THE HUMAN SERVICES COMMISSION PROVIDED AN OVERVIEW OF THE ROLE IN THE FUNDING PROCESS AND GAVE OPPORTUNITY TO REVIEW THE APPLICATIONS PRIOR TO THE HEARING. ON FEBRUARY 15th THE COMMISSION HEARD FROM THE AGENCIES REQUESTING FUNDING AND WERE PROVIDED

OPPORTUNITIES TO ASK FOLLOW-UP QUESTIONS TO THE AGENCY'S PROPOSALS. ON MARCH 14th AND 18th, THE COMMISSION DELIBERATED ON THE FUNDING REQUESTS AND MADE THEIR FUNDING RECOMMENDATIONS. THE AGENCIES WERE NOTIFIED ON MARCH 14th OF THE RECOMMENDATIONS AND ON MARCH 28th THE AGENCIES THAT WERE TENTATIVELY NOT RECOMMENDED FOR FUNDING HAD THE OPPORTUNITY TO ADDRESS THE COMMISSION AT THEIR PUBLIC MEETING THAT NIGHT. THE COMMISSION'S FINAL RECOMMENDATIONS ARE OUTLINED IN THE ACTION PLAN THAT I'M PRESENTING TONIGHT TO COUNCIL. THE CDGB AND HOME PROGRAMS HAVE SUFFERED EXCESSIVE BUDGET REDUCTIONS OVER THE LAST FOUR YEARS. IN FISCAL YEAR 10-11 THE CITY RECEIVED \$1,261,676 AND THE ANTICIPATED ALLOCATION FOR FISCAL YEAR 13-14 IS \$895,216. A REDUCTION OF 29% OVER THE LAST 4 YEARS. THIS SIGNIFICANT DECREASE IN FUNDING HAS RESULTED IN LESS AGENCIES AWARDED FUNDING AND POSSIBLE ELIMINATION OF CRITICAL SERVICES. THIS YEAR REPRESENTS THE LOWEST FUNDING ALLOCATION IN 38 YEARS. THIS IS JUST A BAR GRAPH GIVING YOU THE SAME NUMBERS OVER THE LIFE OF 10 THROUGH 14. THE HOME FUND ALLOCATION FOR FISCAL YEAR 13-14 IS \$209,373 WHICH IS A 42% REDUCTION OVER THE LAST 4 YEARS. AS WITH CDBG THIS ESTIMATE IS THE LOWEST IT IS HAS BEEN IN THE 19 YEARS THIS PROGRAM HAS BEEN HERE. THIS IS AGAIN A BAR GRAPH THAT DEMONSTRATES THOSE REDUCTIONS IN THE FUNDING PROCESS.

[Time: 00:23:22]

I'D LIKE TO PRESENT THE ESTIMATED CDBG AND HOME FUNDING ALLOCATIONS AVAILABLE FOR THIS FISCAL YEAR AND THE COMMISSION'S FUNDING RECOMMENDATIONS. THE ESTIMATED ALLOCATION OF \$895,216 FOR FISCAL YEAR 13-14 PLUS REPROGRAMMED FUNDS IN THE AMOUNT OF \$551,733 TOTALS ROUGHLY \$1.4 MILLION. THE RECOMMENDED AWARD FOR THE CDBG FUNDS FOR FACILITIES AND HOUSING ACTIVITIES IS \$1.267 MILLION. THE ESTIMATED HOME FUNDING ALLOCATION OF \$209,000 FOR FISCAL YEAR 13-14, PLUS REPROGRAMMED FUNDS FROM THE PRIOR YEAR IN THE AMOUNT OF \$41,570, WILL GIVE THE HOME PROGRAM \$250,943. THE RECOMMENDED AWARD OF FUNDS FOR HOUSING ACTIVITIES IS \$237,857 AND \$13,086 FOR ADMINISTRATION AND PLANNING OF THE COMMISSION HOME RECOMMENDATION WILL PROVIDE FUNDING TO 9 AGENCIES TO DELIVER PROGRAMS AND SERVICES TO OVER 12300 INDIVIDUALS IN THE COMMUNITY AND PROVIDE FACILITIES FOR 5 PROJECTS. THESE ARE SUBJECT TO CHANGE PENDING THE FINAL FEDERAL AWARDS.

THIS TABLE ILLUSTRATES THE COMMISSION'S REVIEW OF THE TOTAL OF 19 PROPOSALS FROM AGENCIES REQUESTING OVER \$1.3 MILLION IN FUNDS, REPRESENT 11 IN PUBLIC SERVICE 3 IN HOUSING AND 5 IN PUBLIC IMPROVEMENTS. THE COMMISSION IS RECOMMENDING FUNDING OF 7 PUBLIC SERVICE ACTIVITIES, 3 HOUSING AND 5 PUBLIC IMPROVEMENT PROJECTS AND THEY RESTRICT THE USE OF PUBLIC SERVICE ACTIVITIES TO 15% OF THE CURRENT YEAR'S FUNDING ALLOCATION. ONE PROPOSAL WAS RECEIVED IN THE HOME FUNDS AND THE COMMISSION IS RECOMMENDING FUNDING FOR HOUSING OPPORTUNITIES THROUGH A COMMUNITY LAND TRUST. ALL ACTIVITY BENEFIT SCOTTSDALE RESIDENTS EITHER DIRECTLY OR IN THE CASE OF THE HOMELESS PROGRAMS A PROPORTIONAL SHARE OF THE REGION'S POPULATION, ROUGHLY 6%

THE RECOMMENDED CDGB FUNDING ALLOCATIONS INCLUDE \$134,282 TO ALLOCATE FOR PUBLIC SERVICE ACTIVITIES THAT WILL BENEFIT SCOTTSDALE YOUTH, VICTIMS OF VIOLENCE, SENIORS AND PERSON'S WITH DISABILITY AND THE HOMELESS. \$650,000 FOR HOUSING REHABILITATION. \$48,000 RECOMMENDED FOR THE PUBLIC IMPROVEMENT PROJECTS. \$35,624 IS RESERVED AS CONTINGENCY

FUNDS FOR THE PROJECT COST OVERRUNS AND \$179,043 IS ALLOCATED TO THE COMMUNITY ASSISTANCE OFFICE FOR PROGRAM ADMINISTRATION.

THE HOME FUNDING OF \$237,857 IS RECOMMENDED FOR HOUSING ACQUISITION AND REHABILITATION, PROVIDING HOUSING OPPORTUNITIES TO FIRST TIME HOMEBUYERS. \$13,086 IS ALLOCATED FOR PROGRAM ADMINISTRATION.

[Time: 00:27:21]

THE HUMAN SERVICES COMMISSION AND STAFF REQUEST THE COUNCIL ADOPT RESOLUTION 9367 WHICH APPROVES THE 2013-14 ACTION PLAN FOR CDBG FUNDS AND AUTHORIZES THE CITY MANAGER TO SUBMIT THE PLAN TO HUD. IT AUTHORIZES THE CITY MANAGER TO EXECUTE A CONTRACT WITH HUD FOR FISCAL YEAR 2013-14 FOR FUNDING. IT APPROVES THE MANNER IN WHICH THE 13-14 HOME FUNDS ARE ALLOCATED AND APPROVES THE PROGRAMMING UNDER PRIOR YEARS FUNDING AS WELL. IT ALSO APPROVES THE ALLOCATION FOR FUNDS AS RECOMMENDED BY THE HUMAN SERVICES COMMISSION. IT AUTHORIZES THE MAYOR TO EXECUTE THE CONTRACTS WITH THESE AGENCIES. APPROVE OF THE RETURN OF THE PROGRAM INCOME FROM REPAYMENT OF THE HOUSING REHABILITATION DEFERRED LOANS TO CDBG LINE OF CREDIT OR THE HOUSING REHABILITATION REVOLVING LOAN FUND. APPROVES THE RETURN OF ALL PROGRAM INCOME OF CDBG ACTIVITIES TO THE CITY'S LINE OF CREDIT TO BE EXPENDED ON OTHER ELIGIBLE ACTIVITIES. ALSO AUTHORIZE THE COMMUNITY ASSISTANCE MANAGER TO ADJUST THE ALLOCATIONS AS NECESSARY BASED ON THE FINAL FEDERAL FUNDING ALLOCATIONS TO THE CITY. THE PROGRAM INCOME FROM CDBG FUNDED ACTIVITIES TO THE CITY LINE OF CREDIT TO BE EXPENDED OVER THE ELIGIBILITY OF THE ACTIVITIES. THIS CONCLUDES OUR TESTIMONY FOR TONIGHT OF THE ADOPTION OF THIS.

Mayor Lane: THANK YOU MR. MURPHY. WE HAVE A COUPLE OTHER REQUESTS TO SPEAK ON THE SUBJECT AND WE WILL TAKE THOSE COMMENTS FIRST. WE HAVE TWO REQUESTS TO SPEAK ON ITEM 6 HERE ANDLY START WITH DAVID SMITH FOLLOWED BY NANCY CANTOR.

DAVID SMITH CHOOSES NOT TO SPEAK. OKAY. THEN NANCY

[Time: 00:29:47]

Nancy Cantor: THAT'S ME AGAIN. I'M HERE TO TALK ABOUT MEALS ON WHEELS. I'M SINCERELY HOPING BEYOND BELIEF THAT EVERYTHING I HAVE HEARD OVER THE PAST FEWS DAYS IS A VERY POOR JOKE BUT FOR ANYONE TO RECOMMEND NOT FUNDING THE MEALS ON WHEELS PROGRAM FOR THE CITY OF SCOTTSDALE OR ANY OTHER COMMUNITY IT IS A VITAL PROGRAM PARTICULARLY FOR SENIORS. FOR THE PAST YEAR NOW I'VE BEEN INVOLVED IN THE AGING IN PLACE PROJECT AND I'M LEARNING A LOT. I AM NOT ALLOWED TO AGE IN PLACE. I'VE GOT TO KEEP MOVING. WE HAVE A LOT OF PEOPLE IN VERY DESPERATE NEED. WE ARE LOOKING AT NUTRITION AS THE KEY PROGRAM. I HOPE THAT THE TRAUMA THAT THEY HAVE PUT PEOPLE THROUGH OVER THE PAST COUPLE OF WEEKS REGARDING THIS PROGRAM GOING AWAY, I THINK IT IS AN ABUSIVE THING THAT HAPPENED TO THE PEOPLE WHO NEED THIS PROGRAM. I HOPE IT DOESN'T EVER HAPPEN AGAIN. THESE PEOPLE LIVE UNDER ENOUGH STRESS, THEY DON'T HAVE TO FIGURE OUT WHERE THEIR NEXT BITE IS COMING

FROM. I DO HOPE WE CAN FIND A WAY TO SAVE THIS PROGRAM AND NOT LET SOMETHING LIKE THIS HAPPEN AGAIN.

Mayor Lane: THANK YOU MS. CANTOR. COMMENT ON ITEM 6, EITHER COMMENTS OR MOTION OR OTHERWISE, FIRST TO VICE MAYOR KLAPP.

Vice Mayor Klapp: WELL I HAVE TO AGREE WITH THE LAST COMMENT MADE. I'M VERY DISAPPOINTED IN THE RECOMMENDATIONS THAT CAME OUT OF THE HUMAN SERVICES COMMISSION AS IT RELATES TO THE SENIORS IN SCOTTSDALE. IF YOU LOOK AT THE LIST OF PROJECTS BEING FUNDED THERE'S AN ORGANIZATION CALLED FOOTHILL CARING CORE WHICH PROVIDES MEALS TO SENIORS IN THE NORTHERN PART OF THE CITY THAT IS PARTIALLY FUNDED. BUT THE MEALS ON WHEELS WHICH SERVES THE SOUTHERN PART OF THE CITY IS NOT BEING FUNDED AT ALL. I DON'T UNDERSTAND THE REASONING BEHIND CUTTING THAT OUT. I KNOW THE STAFF IS WORKING HARD TO TRY TO FIND FUNDING THAT CAN SUPPLANT FROM WHAT THEY TAKE AWAY FROM THE PROGRAM. WE HAVE TO UNDERSTAND IF THE HUMAN SERVICES COMMISSION IS LOOKING AT HOW TO FUND PROGRAMS IN A MARKET OF DIMINISHING FUNDS THEN WE HAVE TO LOOK AT OUR PRIORITIES DIFFERENTLY. IT SEEMS TO ME FOOD FOR HOMEBOUND SENIORS WHO CANNOT COOK MEALS AND CAN'T GET A HOT MEAL SHOULD BE THE TOP PRIORITY. I CAN'T UNDERSTAND HOW IT COULD BE ANYTHING OTHER THAN THAT. WE ALSO SHOULD REALIZE THIS AGING IN PLACE PROGRAM HAS IDENTIFIED THAT SCOTTSDALE IS THE NUMBER ONE CITY IN THE ENTIRE NATION IN CITIES WITH 100,000 PEOPLE WITH A POPULATION OVER 65. IF WE DON'T START RECOGNIZING THAT IT WILL CAUSE US INNUMERABLE ISSUES TO BE DEALT WITH OVER THE NEXT FEW YEARS. I THINK WE HAVE TO RECOGNIZE IT TODAY. WE HAVE A LOT OF PEOPLE HERE WHO ARE LIVING IN THEIR HOMES, BY THEMSELVES, WHO ARE NOT ABLE TO GET OUT AND CANNOT EAT UNLESS SOMEONE BRINGS THEM A MEAL. IN MY ESTIMATION, THE MEALS ON WHEELS PROGRAMS IF WE HAVE OTHER POTENTIAL FUNDING SOURCE THAT CAN HELP THAT WOULD BE GOOD, BUT I BELIEVE THERE SHOULD BE SOME DETERMINATION OF WHETHER OR NOT THE ENTIRE MEALS ON WHEELS PROGRAM SHOULD BE ELIMINATED FROM THE LIST BECAUSE SOME OTHER PROGRAMS GOT PARTIAL FUNDING AND THIS PROGRAM HAS BEEN ELIMINATED ENTIRELY. YOU CAN'T TAKE \$70,000 AWAY FROM AN ORGANIZATION WITHOUT ALTERNATIVE FUNDING. THIS IS A PRETTY CRITICAL COMMUNITY NEED THAT NEEDS TO BE ADDRESSED. YES WE HAVE LESS FUNDS AND YES WE ARE WORKING ON ALTERNATIVES, AND I APPRECIATE THAT FACT BUT THERE OUGHT TO BE SOME MONEY THAT IS COMING OUT OF THE CDBG FUNDS FOR MEALS ON WHEELS.

[Time: 00:34:37]

Mayor Lane: THANK YOU VICE MAYOR. COUNCILMEMBER MILHAVEN.

Councilwoman Milhaven: ACTUALLY I WAS GOING TO MAKE ANOTHER COMMENT BUT I WILL START WITH COUNCILWOMAN KLAPP'S. MY UNDERSTANDING IS THAT CDBG DIDN'T FUND MEALS ON WHEELS THAT WAS SCOTTSDALE CARES. MAYBE YOU CAN ELABORATE.

Bill Murphy: THE CURRENT YEAR WE'RE IN RIGHT NOW, THE PROGRAM WE CALL MEALS ON WHEELS IS BEING FUNDED THROUGH CDGB. LAST YEAR WE HAD SOME ADDITIONAL FUNDS AVAILABLE FROM THE SALE OF THE SENIOR CENTER AND WE ALLOCATED THOSE DOLLARS IN THE CDBG PUBLIC SERVICE

AREA. SO WE MOVED SOME OF THE APPLICANTS FROM SCOTTSDALE CARES INTO CDBG SO WE COULD FULLY FUND THAT. THIS YEAR, RIGHT NOW TCAA WHO IS THE CONTRACTOR THAT WE DEAL WITH ON THAT HAVE APPLIED FOR CDGB FUNDS FOR THE CONGREGATE MEALS AT THE Granite Reef SENIOR CENTER. THEY HAVE BEEN FUNDED NOT THE FULL AMOUNT THEY REQUESTED BUT NEARLY 50%. THE MEALS ON WHEELS REQUESTS CAME IN THROUGH THE SCOTTSDALE CARES APPLICATION AND THERE WAS \$140,000 AVAILABLE IN SCOTTSDALE CARES AND THE REQUEST FROM TCAA WAS \$74,100 FOR THEIR PROGRAM.

Councilwoman Milhaven: I'M SORRY THERE IS \$104,000 AND THEY ASKED FOR \$74,000 AND HOW MUCH DID THEY GET? I'M CONFUSED.

Bill Murphy: I'M PROBABLY CONFUSING YOU. THE SCOTTSDALE CARES PROGRAM HAS NUMEROUS REQUESTS THAT CAME IN OVER \$500,000. THE AMOUNT OF FUNDING AVAILABLE IS ONLY \$140,000. IN THE RANKING ORDER THEY CAME UP, THE TCAA ACTUALLY WERE, WHERE OUR CUT OFF LINE WAS, SOMEWHERE ABOUT HALFWAY BELOW THAT CUT OFF LINE, SO THERE WAS NO FUNDING AT ALL ALLOCATED TO THEM AT THIS POINT IN TIME. DOES THAT ANSWER YOUR QUESTION OR NOT.

Councilwoman Milhaven: NOT REALLY BUT THAT'S OKAY I DON'T KNOW HOW TO ASK IT AGAIN. MAYBE I WILL GO TO ANOTHER PLACE. WHAT DO YOU THINK THE LONG TERM, WHAT YOU ARE SHOWING US THE DECREASE IN CDBG AND HOME FUNDS OVER TIME AND THE LOWEST WE'VE EVER SEEN. WHAT DO YOU THINK THE PROSPECT IS FOR THIS FUNDING IN THE FUTURE?

Bill Murphy: WE KNOW FOR SURE SO FAR WITH THE SEQUESTOR IN PLACE, WE WILL HAVE ADDITIONAL 5% REDUCTION. WE WILL FUND OUR PROGRAMS AT THE 2011-2012 RATE THAT WE HAD IN OUR BUDGET AT THAT POINT. WE WILL LOOK AT THINGS THROUGH OUR COMMUNITY ASSISTANCE OFFICE AND LOOK AT THE ADMINISTRATIVE COST. CURRENTLY WE ARE RENTING SPACE. WE MAY BE ABLE TO MOVE THAT STAFF INTO A CITY BUILDING WHICH WOULD SAVE RENTAL DOLLARS. AND JUST TAKE A LOOK AT SOME OF THOSE THINGS. THE LONG TERM OF WHERE WE SEE THINGS GOING WE WILL HAVE A DISCUSSION WITH THE HUMAN SERVICES COMMISSION IN MAY, TO BE ABLE TO FORECAST THE FACT THAT THESE FUNDS MAY BE LIMITED AND WOULD NEED TO PRIORITIZE AGAIN WHAT ARE THE MOST ESSENTIAL THINGS TO OUR SCOTTSDALE RESIDENTS. AND WE HAVE THE CONSOLIDATED PLAN IN PLACE FOR US TO HAVE THAT CONVERSATION AND I THINK WE NEED TO HAVE MORE CONVERSATION DIRECTING THOSE INTENTIONS OF WHERE THAT SHOULD GO.

[Time: 00:38:23]

Councilwoman Milhaven: THANK YOU. AND I THINK IT IS IMPORTANT FOR US TO MOVE FORWARD WITH WHAT WE HAVE HERE. BUT THIS FUNDING STARTS JULY 1st, IS THAT RIGHT, SO THE MEALS ON WHEELS IS OKAY THROUGH JUNE 30th.

Bill Murphy: CORRECT.

Councilwoman Milhaven: I'D LOVE TO COME BACK AND UNDERSTAND, IT SOUNDS LIKE THERE'S CDBG AND THERE'S SCOTTSDALE CARES AND I WOULD LIKE TO GET A SENSE OF HOW THE TWO WORK TOGETHER WHAT DIDN'T GET FUNDED THAT WAS FUNDED BEFORE, AND SEE IF WE CAN FIND OTHER

SOURCES OR AT LEAST UNDERSTAND MORE HOLISTICALLY. CLEARLY WE NEED TO HONOR THE HUMAN SERVICES COMMISSION BUT I THINK WE NEED TO LOOK AT ADDITIONAL FUNDING OPPORTUNITIES.

Mayor Lane: THANK YOU COUNCILMEMBER. COUNCILMAN ROBBINS.

Councilman Robbins: I KNOW THE HUD ALLOCATION IS DOWN BUT WE HAVE THAT \$551,000 OF REPROGRAMMED FUNDS FROM THE SALE OF THE SENIOR CENTER SO WE HAVE 50 TO 60% MORE THAN WE NORMALLY HAVE IN THIS FUND. DOES THAT HAVE TO BE USED FOR A SPECIFIC PURPOSE? THAT SALE OF THE SENIOR CENTER DOLLARS, BECAUSE IT SEEMS LIKE WE HAVE MORE THIS YEAR THAN WE NORMALLY HAVE.

Bill Murphy: MAYOR LANE AND COUNCILMEMBER ROBBINS, UNFORTUNATELY FOR PUBLIC SERVICES USING THOSE FUNDS WE ARE RESTRICTED TO 15% OF WHAT THE CDBG FUND ALLOCATION IS. THAT'S SEPARATE FROM THE \$551,000 THAT IS THE EXTRA DOLLARS. I CAN HAVE MICHELLE ALBANESE EXPLAIN THAT BETTER.

[Time: 00:40:06]

Michelle Albanese: THANK YOU MAYOR LANE, MEMBERS OF THE COUNCIL. THE CDGB REQUIREMENTS LIMIT 15% OF PUBLIC SERVICES OUT OF THE CURRENT YEAR'S ALLOCATION. IF THE CURRENT YEAR'S ALLOCATION IS \$895,000 WE'RE LIMITED TO 15% OF THAT TO BE ALLOCATED FOR PUBLIC SERVICES. TWENTY PERCENT IS THE MAXIMUM THAT CAN BE ALLOCATED TO PLANNING AND ADMINISTRATION, THE BALANCE OF THE FUNDS IS REQUIRED TO GO TOWARDS DIFFERENT TYPES OF ACTIVITIES.

Councilman Robbins: SO THE MONEY WHERE MEALS ON WHEELS TYPE PROGRAM WILL COME OUT OF PUBLIC SERVICES AND THAT IS 15% OF THE TOTAL ALLOCATION SO \$134,000 IS THE BUDGET AND THAT YOU WOULD TAKE THE MEALS ON WHEELS PROGRAM OUT OF THAT.

Bill Murphy: MAYOR LANE AND COUNCILMEMBER ROBBINS, THE WAY THAT THE PROCESS WORKED, THE APPLICATION FROM THE APPLICANTS, THEY APPLIED FOR FUNDING FOR THE SENIOR MEALS THROUGH SCOTTSDALE CARES NOT THE CDGB PROGRAM AND SO BECAUSE WE CAN'T TAKE FUNDS FROM THE CDGB PROGRAM AND MOVE THEM TO THE SCOTTSDALE CARES PROGRAM BECAUSE THAT PROCESS WE WENT THROUGH HAD NUMEROUS OTHER NONPROFIT AGENCY THAT'S APPLIED FOR EACH OF THOSE INDIVIDUAL AREAS.

Councilman Robbins: RIGHT I UNDERSTAND THAT BUT BACK TO THE BUDGETING ISSUES. THE \$134,000 IS THE MAX YOU CAN SPEND IN PUBLIC SERVICES.

Bill Murphy: THAT'S CORRECT FOR THIS YEAR.

Councilman Robbins: I SEE. THANK YOU.

Mayor Lane: THANK YOU COUNCILMEMBER. I THINK THE PROBLEM IS WE HAD SOME EXCESS FUNDS THAT COULD BE ALLOCATED BY THE SALE OF THE CDGB FUNDED PROJECT AND IT WAS SPREAD

ACROSS A WIDE FIELD OF APPLICANTS. ONE THING I WANT TO THE LEND TO THIS IS I AGREE THAT WE HAVE A REAL CONCERN ABOUT HOW WE PRIORITIZE THE COMMUNITY SERVICES SIDE OF THIS ALLOCATION. NOBODY WANTS TO SEE ANYTHING CUT NECESSARILY BUT WHEN YOU TALK ABOUT MEALS THAT HAVE BEEN FUNDED, TO THE EXTENT THEY HAVE BEEN, THEY ARE THE MEALS AND JUST FOR EXPLANATION THOSE ARE THE MEALS PROVIDED AT OUR SENIOR CENTERS. THERE'S AN OPPORTUNITY TO DONATE OR CONTRIBUTE TO THOSE BUT IT GENERALLY DOESN'T COME UP VERY MUCH. BUT THOSE FOLKS ARE IN A POSITION CERTAINLY TO PROTECT THEIR INTEREST AND THEY ARE ACTIVELY ENGAGED IN THE PROCESS. UNFORTUNATELY THERE IS NO ALLOCATION OF MEALS TO THOSE FOLKS AS FAR AS MEANS TESTING THEY ARE JUST OPEN TO ALL COMERS. MAYBE IT IS VALID AND A GOOD APPLICATION BUT THE HOMEBOUND INDIVIDUAL WHO ARE SUBJECT TO MEALS ON WHEELS ARE SUBJECT TO AN APPLICATION AND THERE HAS TO BE A DETERMINATION AND THEY DON'T HAVE THE AVAILABILITY TO COME DOWN HERE OR TO LOBBY THE COMMISSION TO PROTECT THOSE FUNDS. IT IS PART OF THE PROCESS OF HOW THINGS WORK. WE NEED TO LOOK HARD AT THAT. IT IS PRIORITIZATION. THESE FUNDS PROBABLY NOT INCREASE BUT THE STAFF HAS BEEN WORKING VERY, VERY HARD IN THIS INTERIM PERIOD OF TIME BEFORE JULY 1 TO MAKE SURE WE HAVE AT LEAST A ONE-TIME SOURCE FOR FUNDING ON THE MEALS ON WHEELS PROGRAM. I THINK THEY ARE IN A GOOD PLACE ON THAT THIS. THEY ARE WORKING HARD ON THAT RIGHT NOW. AND WE ARE ALSO LOOKING AT POSSIBILITIES FOR A LONGER TERM SOLUTION FOR FUNDS. IT IS ON YOUR UTILITY BILL. YOU HAVE AN OPPORTUNITY TO CHECK A BOX, TO ADD A DOLLAR TO YOUR BILL TO SCOTTSDALE CARES AND THAT HAS BEEN A SUBSTANTIAL SUM OF MONEY. IT IS 12 DOLLARS A YEAR PER PERSON, BUT IT DOES GO TO THE MEALS ON WHEELS PROGRAM. THAT HAS DROPPED OFF. WE HAD A PERIOD OF TIME WHERE WE HAD ADDITIONAL FUNDS AVAILABLE AND THERE WAS REALLOCATIONS AND IT RAISED EXPECTATIONS AND MEANWHILE EVERYTHING ELSE WAS SLIDING. WE WERE CAUGHT A LITTLE BIT. THAT'S THE TRUTH OF IT. I THINK THE PRIORITIZATION NEEDS MORE STUDY AND THE STAFF IS CERTAINLY ATTENDING TO THAT BUT THAT IS CERTAINLY SOMETHING THAT CAUGHT US BY SURPRISE. IT SHOULDN'T HAVE BUT IT DID. IT IS BEING WORKED ON AND I THINK WE WILL HAVE ANSWERS FOR THAT BEFORE JULY 1st AND ALSO WE WILL LOOK AT HOW WE WILL FUND SOME OF THESE PROGRAMS THAT HAVE BEEN PREVIOUSLY FUNDED BY EITHER SCOTTSDALE CARES AND WE ARE LOOKING TO ENHANCE THAT BUT ALSO WITH THE FURTHER DECLINE OF CDBG AND HOME FUNDS LIKELY TO OCCUR. WE ARE GOING TO HAVE TO FIND A REAL PRIORITIZATION AND A SUSTAINABLE MEANS OF MAINTAINING THESE HIGH PRIORITY PROGRAMS. I THOUGHT I WOULD ADD THAT TO IT A LITTLE BIT BECAUSE I THINK WHAT WE ARE WORKING THROUGH HERE INVOLVES A LOT OF OTHER THINGS AND ACCOMMODATIONS. IT WON'T BE EASY. THERE'S OTHER PEOPLE UNABLE TO GET THE FUNDING THEY HAVE BEEN USED TO. THAT'S WHERE WE ARE AT. COUNCILMEMBER LITTLEFIELD.

[Time: 00:46:12]

Councilman Littlefield: OKAY SO THE FACT THAT THE MEALS PROGRAM WAS FUNDED OUT OF CDGB FUNDS WAS A ONE-TIME THING, RIGHT?

Bill Murphy: THAT'S CORRECT.

Councilman Littlefield: BUT AS A SERVICE IT WOULD BE ELIGIBLE. THE 15%, AS LONG AS YOU DON'T BREAK THAT BARRIER, THOSE CDBG FUNDS BE USED FOR THIS PROGRAM.

Bill Murphy: MAYOR LANE, COUNCILMAN LITTLEFIELD THEY COULD BE BUT WE NEED TO UNDERSTAND THERE'S A GROUP OF NONPROFITS ALREADY IN THAT ALLOCATION OF \$134,000 WHICH WE HAVE GONE THROUGH THE PROCESS AND EVALUATED THEIR SUBMITTALS THAT COULD GET AFFECTED IF WE MOVE THAT PROGRAM UP AND NOT FUND ANOTHER PROGRAM.

Councilman Littlefield: OBVIOUSLY THE HUMAN SERVICES COMMISSION ARE NOT A BUNCH OF MEAN PEOPLE. THEY DON'T WANT TO STARVE OLD PEOPLE I ASSUME, SO THE QUESTION IS WHAT PROGRAMS DID THEY CONSIDER MORE IMPORTANT THAN THE MEALS PROGRAM THEY DIDN'T WANT TO DISPLACE FROM THAT 15%.

Bill Murphy: MAYOR LANE, COUNCILMEMBER LITTLEFIELD, I DON'T THINK THE COMMISSION HAD ANY INTENTION OF; I THINK WHAT THEY DID WHEN THEY WEIGHED OUT THE SUBMITTALS THEY LOOKED AT WHAT OTHER OPPORTUNITIES; THERE WAS SOME FUNDING THAT WAS ALSO ASSISTING THOSE PROGRAMS THAT WERE APPLYING FOR SOME AID. WHAT I'M CONFUSING YOU ALL ON TONIGHT IS THAT CDGB AND HOME IS WHAT WE'RE TALKING ABOUT TONIGHT. WE WOULD BRING BACK TO YOU THE SCOTTSDALE CARES AND GENERAL FUND IN JUNE AFTER THE BUDGET IS APPROVED TO HAVE YOU APPROVE THOSE LISTS OF THINGS BUT RIGHT NOW THIS YEAR THE MEALS SUBMITTAL WE HAVE IS IN SCOTTSDALE CARES NOT IN ANY OF THE OTHER ALLOCATED PROGRAMS.

Councilman Littlefield: ARE YOU SAYING THEY DIDN'T MAKE A CDGB APPLICATION THIS YEAR?

[Time: 00:48:15]

Bill Murphy: THEY DID FOR THE CONGREGATE MEALS AT THE SENIOR CENTER, BUT THEY DIDN'T MAKE AN APPLICATION FOR CDBG FOR THE MEALS ON WHEELS PROGRAM, THEY APPLIED FOR SCOTTSDALE CARES.

Councilman Littlefield: I THINK THAT IS IMPORTANT FOR PEOPLE TO KNOW. IT WASN'T THAT THEY WERE DUMPED OUT OF THE CDGB BECAUSE SOMEBODY WANTS TO STARVE OLD PEOPLE. IT IS BECAUSE THEY DIDN'T MAKE AN APPLICATION FOR THAT. SO NOW FLIPPING OVER TO THE SCOTTSDALE CARES HOW MUCH WAS IN THERE THIS YEAR.

Bill Murphy: \$140,000.

Councilman Littlefield: OKAY WHICH IS WAY BELOW WHAT IT WAS PREVIOUS YEARS.

Bill Murphy: RIGHT.

Councilman Littlefield: WHAT DID THE HUMAN SERVICES COMMISSION FEEL WAS A HIGHER PRIORITY THAN THE MEALS PROGRAM THAT THEY ARE SUGGESTING WE ALLOCATE THE SCOTTSDALE CARES FUNDS TO?

Bill Murphy: WELL THE SCORES THAT THEY PROVIDED GOES, AGAIN, THERE'S 7 CATEGORIES OF HOW THEY DO THINGS. THERE'S THE APPLICATION PROCESS THAT'S PUT IN, THE PRESENTATION THAT IS PUT IN.

Councilman Littlefield: I GET ALL THAT BUT CUTTING TO THE CHASE WHAT DID THEY THINK WAS MORE IMPORTANT.

Bill Murphy: I THINK THEY LOOKED AT A LOT OF DIFFERENT THINGS. I REALLY DON'T KNOW FROM THE COMMISSION'S PERSPECTIVE. WE KIND OF WENT BY THE SCORES. AGAIN, THE GROUP TCAA ACTUALLY CAME TO THE COMMISSION TO EXPRESS THEIR CONCERN ABOUT NOT BEING FUNDED ON MARCH 28th. THE PROBLEM WITH SCOTTSDALE CARES WHERE THIS GROUP RANKED WAS NUMBER 16 IN THE WHOLE APPLICATION OF POINT SYSTEMS SO THE CUT OFF OF WHERE WE CUT THIS OFF AT WAS AT NUMBER 8 TO \$140,000. SO, THERE'S STILL NUMBER 9 THROUGH 16 OF UNFUNDED APPLICATIONS THAT WENT THROUGH. SO HOW THEY FIGURED IT TO NUMBER 16, THERE'S A LOT OF FACTORS THAT WOULD HAVE PLAYED INTO THAT IN THE SCORING.

[Time: 00:50:20]

Councilman Littlefield: I DON'T WANT TO BEAT THIS TO DEATH, NOT YOU THEM, THEY PICKED 8 APPLICATIONS. THE MEALS PROGRAM WAS NOT ONE OF THEM, SO ONE CAN ONLY CONCLUDE THAT THE FIRST 8 THEY PICKED THEY FELT WERE HIGHER PRIORITIES, MORE IMPORTANT. I'M JUST WONDERING WHAT THE THINKING WAS.

Bill Murphy: IN FAIRNESS TO THE COMMISSION I DON'T THINK THEY MEASURED IT THAT WAY. THEY MEASURED IT FROM A NEUTRAL PERSPECTIVE THAT YOU APPLIED AND MADE AN APPLICATION, WHAT WAS IN YOUR APPLICATION, THE PRESENTATION YOU PROVIDED, DID YOU HAVE OTHER SOURCES OF INCOME THAT COULD MATCH IT. THOSE CRITERIA HELPED TO WEIGH IT HIGHER THAN WHAT OCCURRED.

Councilman Littlefield: RATED HIGHER MEANS MORE IMPORTANT OR HIGHER PRIORITY.

Bill Murphy: I DON'T WANT TO SAY THAT THAT'S THE PRIORITY IN HOW THEY DID THAT. IN FAIRNESS THEY ARE LOOKING AT A POINT TOTAL AND THEY ARE EACH INDIVIDUALLY EVALUATED.

Councilman Littlefield: POINT TOTAL IS A LITTLE CRASS. WHY DON'T YOU PROVIDE THE PROGRAMS THEY DID FUND?

Bill Murphy: WE WILL BRING THAT BACK IN JUNE BUT WE CAN BRING THAT IN TOMORROW.

Councilman Littlefield: I WOULD LIKE TO SEE THAT TOMORROW IF YOU CAN SEND IT TO ME.

Mayor Lane: THANK YOU COUNCILMEMBER. DID THE CITY ATTORNEY WANT TO SPEAK?

[Time: 00:51:41]

Assistant City Attorney Sherry Scott: MAYOR LANE, I WAS GOING TO CLARIFY THAT THAT ITEM WILL BE COMING BACK TO COUNCIL FOR COUNCIL ACTION AND ALTHOUGH SCOTTSDALE CARES IS A PART THE ANNUAL PLAN THAT YOU ARE YOU GOING TO BE APPROVING TONIGHT, IN TERMS OF THE RATING

AND WHAT THE COUNCIL WOULD LIKE TO DO IN TERMS OF FUNDING, THE SCOTTSDALE CARES MONIES WILL COME BACK TO COUNCIL AT A LATER TIME SO WE JUST NEED TO KEEP THE AGENDA TO THE ITEMS THAT ARE IN THE ACTION PLAN AND THE FUNDING DECISIONS IN FRONT OF THE COUNCIL TONIGHT WHICH ARE THE CDGB FUNDS.

Mayor Lane: AND THE HOME FUNDS.

Sherry Scott: YES. THANK YOU.

Mayor Lane: THANK YOU. COUNCILMEMBER PHILLIPS.

Councilmember Phillips: THANK YOU MAYOR. I THINK THE MEDIA CAUSED A SCARE TO EVERYBODY WHEN THEY BROUGHT THIS UP. AS THE MAYOR SAID A LOT OF THE MONEY WAS COMING FROM THE UTILITY BILL. MOST PEOPLE PAY ONLINE NOW, THAT'S GONE. SO I THINK STAFF WILL FIND ANOTHER FUNDING SOURCE. THE CDGB FUNDS WE CAN'T RELY ON. IT IS FEDERAL FUNDING WE DON'T KNOW WHAT WILL HAPPEN WITH IT NEXT YEAR. I'M NOT LOOKING FOR THEM TO BE PAYING FOR MEALS ON WHEELS. I THINK IN THE FUTURE SCOTTSDALE CARES WE CAN MAYBE GO THROUGH THAT STEP PROGRAM AND FIND OUT HOW THEY ALLOCATE AND MAYBE WE CAN BUMP IT UP SO WE CAN GET SOMETHING. I KNOW THAT'S FOR THE SENIOR CENTER. I HAVE CONFIDENCE THAT THE STAFF BY JUNE 16th WILL COME UP WITH A PLAN THAT WILL BE ABLE TO CONTINUE WITH IT. I'M REALLY SORRY THAT THE MEDIA HAD TO CAUSE THAT SCARE FOR EVERYBODY. WITH THAT I'D LIKE TO MAKE THE MOTION THAT WE APPROVE THIS RESOLUTION 9367.

[Time: 00:53:36]

Councilman Robbins: SECONDED.

Mayor Lane: MOTION MADE AND SECONDED WITH THE SECOND. WOULD THE SECOND LIKE TO SPEAK TOWARD IT?

Councilman Robbins: NO THANKS.

Mayor Lane: OKAY I UNDERSTAND. COUNCILMEMBER LITTLEFIELD.

Councilman Littlefield: YEAH, ACTUALLY WHAT THE CITY ATTORNEY JUST SAID IT BRINGS UP A QUESTION. DID THE SCOTTSDALE CARES, THE DECISION ABOUT WHAT TO SPEND SCOTTSDALE CARES MONEY IS THAT GOING TO COME UP AS PART OF THE BUDGET PROCESS OR AFTER THE BUDGET PROCESS. IS IT IN OR OUT OF THE BUDGET PROCESS?

Bill Murphy: MAYOR LANE COUNCILMEMBER LITTLEFIELD, IT WILL COME TO YOU IN THE BUDGET PROCESS AND APPROVED AS THE BUDGET GOES FORWARD AND BRING IT BACK FOR CONFIRMATION IN JUNE. SO IT IS GOING THROUGH THE PROCESS.

Councilman Littlefield: SO WE WILL BE MAKING A DECISION ON HOW TO ALLOCATE THOSE FUNDS AS PART OF THE BUDGET PROCESS BEFORE JUNE.

Bill Murphy: YOU COULD DO THAT.

Councilman Littlefield: WE COULD DO THAT. OKAY. ALL RIGHT.

Mayor Lane: OKAY LOOKS LIKE NO FURTHER COMMENTS OR QUESTIONS WE ARE READY TO VOTE ON THE MOTION. ALL THOSE IN FAVOR INDICATE BY AYE, THOSE OPPOSED BY NAY. OKAY WITH ONE RECUSING HERSELF. WE DO HAVE A 5 TO 1 WITH VICE MAYOR KLAPP OPPOSING.

THAT COMPLETES ITEM 6. MOVING ON TO ITEM 7, WE SHOULD HAVE JOYCE GILBRIDE HERE FOR OUR FINANCIAL MONTHLY UPDATE.

ITEM 7: MONTHLY FINANCIAL UPDATE

[Time: 00:55:48]

Accounting Director: Joyce Gilbride: MAYOR LANE AND MEMBERS OF THE CITY COUNCIL, AS OF MARCH 31st, 2013, BEGINNING WITH GENERAL FUND OPERATING SOURCES WE HAVE A TOTAL POSITIVE VARIANCE AT THE END MARCH OR \$3.9 MILLION. AS WE SEEN IN THE LAST SEVERAL MONTHS IT IS PRIMARILY DRIVEN BY MISCELLANEOUS REVENUE AND BUILDING PERMIT REVENUE, WHICH SHOWS \$2.4 MILLION FAVORABLE VARIANCE UP FROM \$2 MILLION FROM THE MONTH OF FEBRUARY. FOR THE MONTH OF MARCH, BUILDING PERMITS EXCEEDED BUDGET BY 46%. LOOKING AT THE COLLECTIONS BY CATEGORY WE HAVE A TOTAL UNFAVORABLE VARIANCE OF 1% OR \$1 MILLION. HOWEVER, IF YOU LOOK AT OUR YEAR OVER YEAR ACTIVITY FISCAL YEAR TO DATE, \$64.2 MILLION VERSUS PRIOR YEAR \$61.1 MILLION, FOR A 5.1% FAVORABLE VARIANCE. THE CONSTRUCTION CATEGORY CONTINUES TO SLIP A LITTLE. WE ARE NOW SHOWING 11% UNFAVORABLE VARIANCE. HOWEVER AGAIN IF YOU LOOK AT THE PRIOR YEAR WE ARE SHOWING A 7% INCREASE. SO WE DO HAVE AN INCREASE EVEN THOUGH WE ARE NOT HITTING THE FORECAST WE SET. AND THEN THIS SLIDE SHOWS THE YEAR OVER YEAR CHANGE IN THE 1% SALES TAX COLLECTIONS FOR THE MONTH OF MARCH, 2013. WE ARE ABOUT 5.7% HIGHER THAN MARCH 2012, AND THAT IS HELPING US ACHIEVE THE OVERALL 5% INCREASE. WE ARE AT 5.1% AT THIS POINT. MOVING TO GENERAL FUND OPERATING USES BY CATEGORY. TOTAL PERSONNEL SERVICES SHOWS AN UNFAVORABLE VARIANCE OF \$0.2 MILLION OCCURRING PRIMARILY IN THE OVERTIME CATEGORY. CAPITAL OUTLAY SHOW FAVORABLE VARIANCE OF 7% OR \$3.2 MILLION FOR TOTAL OPERATING VARIANCE OF \$3 MILLION OR 2%. THIS SLIDE ISOLATES JUST THE ACTIVITY FOR THE POLICE DEPARTMENT FISCAL YEAR TO DATE. WE ARE CLEARLY ILLUSTRATING WHAT IS TAKING PLACE IN THE POLICE DEPARTMENT. THEY HAVE A SIGNIFICANT FAVORABLE VARIANCE WHICH IS OFFSETTING A SIGNIFICANT UNFAVORABLE VARIANCE IN PERSONNEL SERVICES. WE ARE AT \$0.7 MILLION ON OVERTIME AND \$0.2 MILLION IN WAGES FOR A TOTAL OF \$0.9 MILLION FOR THE MONTH OF MARCH. THE POLICE DEPARTMENT CAME IN UNDER BUDGET FOR THEIR OVERTIME BY ABOUT 9% OR \$50,000 SO IT HELPED TO REDUCE THAT DEFICIT UNDER CAPITAL OUTLAY. THE \$1 MILLION VARIANCE IN JAIL SERVICES CONTRACT WHICH IS \$750,000 SAVING AT THIS POINT AND ALSO THEIR FLEET ABOUT \$280,000 OVERALL FAVORABLE VARIANCE OF \$0.2 MILLION BUT WON'T BE REFLECTED IN THE DIVISION SLIDE. AS YOU CAN SEE ALL DIVISIONS ARE SHOWING A FAVORABLE VARIANCE AT THIS POINT. MAYOR, COUNCIL AND CHARTER OFFICERS, \$0.8 MILLION COMING PRIMARILY FROM CITY CLERK, CITY ATTORNEY AND CITY TREASURER. WE HAVE A

FAVORABLE VARIANCE IN COMMUNITY SERVICES; THEY HAVE SAVINGS IN PART TIME WAGES AND CAPITAL AT THIS POINT. THERE ARE A FEW TIMING DIFFERENCES ON THE CAPITAL SIDE WHICH WILL BE REDUCED BY YEAR-END. SO IN TOTAL OUR OPERATING EXPENSES SHOW A 2% FAVORABLE VARIANCE AT THE END OF MARCH OR \$3 MILLION THEM.

THIS IS A NEW SLIDE THIS MONTH. IT SHOWS OUR YEAR-END ESTIMATE FOR THE GENERAL FUND. THIS FIRST CATEGORY IS THE 2012-2013 APPROVED BUDGET. THE NEXT COLUMN OVER IS SHOWING OUR FORECAST THAT WAS INCLUDED IN THE PROPOSED BUDGET THAT WE RELEASED ABOUT A MONTH AGO. AS YOU CAN SEE, BOTTOM LINE WE HAD ANTICIPATED \$260.7 MILLION IN TOTAL REVENUES. WE REVISED IT UP \$261.8 FOR A VARIANCE OF \$1.1 MILLION. WE THINK IT WILL BE BETTER, CLOSER TO 3 MILLION DUE TO THE CONTINUED STRONG SHOWING BUILDING PERMIT CATEGORY AS WELL AS FRANCHISE AND A FEW OTHER AREAS. AND THEN THIS SLIDE SHOWS THE YEAR-END ESTIMATE FOR GENERAL FUND USES. WE'RE ANTICIPATING WE WILL HAVE AN UNFAVORABLE VARIANCE IN PERSONNEL SERVICES, \$0.8 MILLION. HOWEVER, IT IS MORE THAN OFFSET BY THE FAVORABLE VARIANCE IN CAPITAL OUTLAY GIVING A TOTAL OPERATING VARIANCE OF \$2.9 MILLION OR 1% AND WE ANTICIPATE SOME SAVINGS.

THIS LAST SLIDE SHOWS OVERALL WE THINK WE WILL BE BETTER BY \$4.5 MILLION. YOU COULD ACTUALLY INCREASE THAT MAYBE ANOTHER \$2 MILLION DUE TO THE REVENUES WE THINK WILL COME IN STRONGER. I WILL BE HAPPY TO ANSWER ANY QUESTIONS YOU HAVE.

Mayor Lane: FIRST THANK YOU VERY MUCH FOR THE PRESENTATION. IT IS CERTAINLY GOOD NEWS AND I APPRECIATE SOME OF THE DETAILED INFORMATION THAT EXPLAIN SOME OF THE ISSUES WITHIN DEPARTMENTS MORE CLEARLY. GOOD NEWS ALWAYS SETS WELL WITH US AND MAYBE IT ELIMINATED ANY QUESTIONS.

Joyce Gilbride: THANK YOU.

Mayor Lane: I DON'T SEE ANY QUESTIONS AT THIS POINT. THANK YOU VERY MUCH. MOVING ON TO OUR NEXT ITEM. NO ACTION IS TAKEN ON THE MONTHLY FINANCIAL UPDATE I SHOULD SAY. ITEM 7A, PROPOSED FISCAL YEAR OPERATING BUDGET AND CAPITAL IMPROVEMENT PLAN. MR. WORTH.

ITEM 7A: PROPOSED FISCAL YEAR OPERATING BUDGET AND CAPITAL IMPROVEMENT PLAN

[Time: 01:03:00]

Acting City Manager Dan Worth: GOOD EVENING MAYOR AND COUNCILMEMBERS. FOUR WEEKS AGO WE RELEASED THE CITY MANAGER'S PROPOSED BUDGET FOR FISCAL YEAR 2013-14 TO GIVE YOU AND THE PUBLIC, EVERYONE INTERESTED TO TAKE A LOOK AT WHAT WE'RE PROPOSING AND GET COMFORTABLE WITH IT. WE ARE BEGINNING THE NEXT STEP IN THE PROCESS SOLICITING YOUR INPUT AND ULTIMATELY SETTLING ON AN ADOPTED FINAL BUDGET IN JUNE. I'LL GIVE AN OVERVIEW, ACTUALLY A TWO PART PRESENTATION: AN OVERVIEW OF THE STRATEGIES THAT WE USED TO SET UP THE BUDGET TO DETERMINE WHAT WE INCLUDED AND WHAT WE DID NOT INCLUDE. I WILL BE FOLLOWED BY THE TREASURER WHO WILL SHOW YOU THE NUMBERS THAT OUR STRATEGIES YIELDED. HE WILL ALSO ADDRESS OTHER AREAS OF THE CITY BUDGET BECAUSE THE GENERAL FUND OPERATING

IS JUST ONE PART OF A BROADER BUDGET SO HE WILL PRESENT IT IN THE OVERALL CONTEXT. AND THEN BY VIRTUE OF THE LENGTHY MEETING THAT WE HAD LAST WEEK AND THE DECISION TO CONTINUE THIS ITEM TO TONIGHT, WE WILL MOVE INTO THE MORE DETAILED DIVISION PRESENTATIONS WHERE CHARTER OFFICERS AND EXECUTIVE DIRECTORS WILL TALK ABOUT THE DETAILS OF THEIR PRIORITIES AND WHAT IS FUNDED OR WAS NOT FUNDED, BUT STILL REPRESENTS AN UNMET NEED IN THEIR OPERATING AREAS. WE WILL GET THROUGH AS MANY OF THOSE AS WE CAN TONIGHT AND HAVE TOMORROW IF WE SHOULD NEED IT. THE FIRST SLIDE IS JUST ONE THAT I WILL SHOW ON SOURCES ON THE REVENUE SIDE. I WOULD CHARACTERIZE OUR OUTLOOK ON REVENUES THAT WE INCLUDED IN THE PROPOSED BUDGET AS CAUTIOUS AND OPTIMISTIC. THIS IS HIGHLIGHTS AND NOTHING YOU HAVEN'T SEEN BEFORE. WHEN WE GAVE YOU THAT PRESENTATION IN FEBRUARY WE TALKED ABOUT ALL THESE. WE ANTICIPATED AN INCREASE REVENUE OVERALL OF 3% FROM THIS YEAR TO NEXT. WE ANTICIPATE INCREASE SALES REVENUE OF 3%. THAT IS THE LARGEST PIECE OF THE OVERALL REVENUE PICTURE FROM THE GENERAL FUND. A COUPLE OF AREAS THAT ARE HIGHLIGHTS THAT WE ANTICIPATE FOR NEXT YEAR. THE INCREASE IS PROJECTED OVER LAST YEAR. THIS IS THE CAUTIOUSLY PART OF THE CAUTIOUSLY OPTIMISTIC. THEN WE TALKED ABOUT THE 2% PROPERTY TAX LEVY. WE HAVEN'T TAKEN IT IN EACH OF THE LAST TWO YEARS. THE GENERAL DIRECTION WE GOT IN FEBRUARY WAS THAT WE WERE NOT READY TO TAKE IT THIS YEAR SO PROPOSED BUDGET IS PUT TOGETHER WITHOUT THAT PROPERTY TAX LEVY INCLUDED. THE REST OF THE PRESENTATION WILL FOCUS ON THE USES AND THE EXPENSES SIDE OF THE PROPOSED BUDGET. THE OVERALL PHILOSOPHY ON THE USES IS THAT THIS IS THE SAME LEVEL OF SERVICE BUDGET. WHAT WE HAVE DONE OVER THE LAST FEW YEARS IS PROTECT THE SERVICES TO OUR CUSTOMERS TO THE CITIZENS AND CUSTOMER WHO USE OUR FACILITIES AND PROGRAMS AND WE HAVE ACHIEVED SAVINGS IN SOME CASES DEFERRALS BY FOCUSING ON OUR INTERNAL SERVICES AND OUR SUPPORT OF OUR INVESTMENT IN INFRASTRUCTURE AND EMPLOYEES. THE STRATEGY THIS YEAR IS TO CONTINUE TO PROTECT THE SERVICES TO OUR EXTERNAL CUSTOMERS BUT WITHIN SOME LIMITED MEANS BEGIN OR ACTUALLY CONTINUE A PROCESS THAT YOU BEGAN LAST YEAR OF REINVESTING IN SOME OF THOSE INTERNAL SUPPORT FUNCTIONS AND AREAS THAT WE HAVE MADE DEFERRALS ON IN THE LAST FEW YEARS. IN PURSUING THIS STRATEGY WE HAVE GENERALLY TAKEN A LOOK AT WHAT EACH OF THE DIVISIONS PROPOSE AS NEW BUDGET ITEMS AND PUT THEM IN SEVERAL DIFFERENT CRITERIA THAT I APPLIED TO THEM. WE TALKED IN FEBRUARY ABOUT HAVE TO DO ITEMS. THERE WERE A NUMBER OF ITEMS IN THE LIST OF PROPOSED BUDGET INCREASES THAT WE HAVE LITTLE OR NO CHOICE ON. INCREASED CONTRIBUTIONS TO THE RETIREMENT PROGRAMS, INCREASED UTILITIES COST, CONTRACTUAL COST INCREASES THAT WE HAVE LITTLE CONTROL OVER.

[Time: 01:08:20]

THE HAVE TO DO CATEGORY. THERE ARE ACTUALLY A HANDFUL OF ITEMS THAT HAVE NO NET IMPACT OR MINIMUM NET COST TO THE CITY AND WE DID SEVERAL OF THOSE WHERE THEY MADE SENSE. I'M GOING TO TALK ABOUT POSITIONS. THERE WERE SOME POSITIONS THAT WE RECOMMEND THAT WE ADD. WE'RE ASKING FOR A NET INCREASE OF FOUR POSITIONS IN THE GENERAL FUND THIS YEAR. A NUMBER OF ONE-TIME EXPENDITURES, SAME STRATEGY AS WE USED IN PREVIOUS YEARS. IT ADDRESSED THE SHORT COMINGS IN THE FACILITIES AND PARKS, SWIMMING POOL PROGRAMS. SAME PHILOSOPHY THIS YEAR, IF IT IS ONE-TIME EXPENSE WE CONSIDERED IT. THE NEXT TWO ITEMS, REINVESTING IN THE INFRASTRUCTURE AND EMPLOYEE PROGRAMS. IN TERMS OF DOLLAR IMPACTS, AND IS THE ONLY SLIDE THAT REALLY SHOWS TALKING ABOUT DOLLARS, THESE ARE ADDS MOSTLY IN

THE HAVE TO DO CATEGORY. THE FIRST CRITERIA OR IN THE REINVESTMENT IN THE EMPLOYEE CATEGORY, THAT WILL BE THE MERIT PAID PROGRAM \$2.8 MILLION. I WANT TO FOCUS ON THAT ONE. WHEN YOU GAVE US DIRECTION IN JANUARY TO IMPLEMENT THE 105% PAY ADJUSTMENT AT THE BOTTOM END OF OUR PAY SCALES WE TALKED ABOUT THE 105% ADJUSTMENT WAS PRESENTED AS AN EFFORT TO ADDRESS A RECRUITING PROBLEM. MANY OF OUR EMPLOYEES WERE BROUGHT IN AT THE BOTTOM OF THE PAY SCALE. WE ALSO SAID WE WOULD BE LOOKING FOR A WAY WITHIN OUR LIMITED BUDGET MEANS OF ADDRESSING A LOOMING RETENTION ISSUE BY TAKING CARE OF THE EMPLOYEES THAT ARE ALREADY HERE. THE \$2.8 MILLION IS AN EFFORT TO DO THAT. WHAT WE'RE PROPOSING IN BRIEF IS TO TAKE 2% OF PAYROLL AND PROVIDE IT TO EXECUTIVE DIRECTORS AND CHARTER OFFICERS TO ALLOCATE IT AS THEY SEE FIT WITHIN THEIR RESPECTIVE DIVISIONS TO ADDRESS SOME OF THOSE RETENTION PROBLEMS AND PROBLEMS WITH CURRENT EMPLOYEES. WE ARE CALLING THIS MERIT PAY. IT IS GOING TO BE A PROGRAM WHERE WE CAN AWARD A RAISE TO THE BASE SALARY CONSISTENT WITH THE WAY WE'VE DONE MERIT PROGRAMS IN THE PAST. WE'RE NOT PUTTING A LIMIT ON HOW MUCH CAN BE ALLOCATED TO AN INDIVIDUAL EMPLOYEE. WE ARE PUTTING A LIMIT ON AGGREGATE, 2% OF PAY ROLL FOR EACH DIVISION. WE ARE ALSO ALLOWING THE POSSIBILITY FOR A RECOGNITION OF A SUPERIOR PERFORMER OR AN EMPLOYEE WHO NEEDS A BOOST, BUT WHO MAY BE AT THE TOP OF THE PAY RANGE OR FOR WHATEVER REASON WE DON'T WANT TO GIVE A SALARY BOOST TO. WE ARE ALLOWING FOR A SUPERIOR PERFORMANCE AWARD, A BONUS SO TO SPEAK. IT FALLS WITHIN THE 2% ALLOCATION. IN ORDER TO ACCOMMODATE THAT WE ARE BUDGETING A PORTION OF THIS AS ONGOING COSTS INCREASED TO THE BASE TAX WILL BE APPLIED TO SALARIES. WE WILL ALLOCATE A PORTION OF THIS TO ONE-TIME SPENDING, ABOUT \$2.1 MILLION. IT WILL BE \$650,000 ONE-TIME, IT WILL BE THOSE BONUSES. BUT IT ACCOUNTS THE SAME. EVERY EXECUTIVE LEADER WILL HAVE AN OPPORTUNITY TO TAKE THAT 2% AND ALLOCATE IT AS NEEDED ACROSS THEIR EMPLOYEES.

[Time: 01:13:04]

THE NEXT SEQUENCE OF SLIDES WILL ADDRESS THE STAFFING THAT I MENTIONED. THIS IS A SLIDE THAT MIGHT BE FAMILIAR TO YOU. WE USED THIS LAST YEAR. IT SHOWS THE INCREASE FROM 2004 UP THROUGH 2008-09 IN STAFFING. THE BARS REPRESENT FTE'S ON THE CITY STAFF AND THEN THE DECREASE FROM 2008-09 THROUGH THIS YEAR. THE PICTURES IN THE BARS ARE INTENDED TO SHOW YOU WHILE THE STAFFING HAS GONE UP AND STARTED COMING BACK DOWN. WE ARE STILL ADDING PROGRAMS AND FACILITIES. WE SHOWED THE NEW FIRE DEPARTMENT IN 2005-06 AND A NUMBER OF NEW FACILITIES THAT HAVE COME ON LINE AND ALL OF WHICH REQUIRE STAFFING. TWO POINTS TO TAKE AWAY FROM THIS, WELL TWO NUMBERS I WOULD LIKE TO HIGHLIGHT. LOOKING AT THE ONE IN THE MIDDLE IT SHOWS 13% DECREASE IN STAFFING FROM OUR PEAK IN 2008-2009. THE LOWER ARROW SHOWS A BASE LINE, THAT'S THE YEAR WHERE WE ADDED THE FIRE DEPARTMENT SO THAT IS APPLIES TO APPLES COMPARISON OF WHAT HAS HAPPENED TO THE CITY OVER TIME. AS I MENTIONED EARLIER WE ARE PROPOSING A SLIGHT BUMP IN ADDITION OF A NET OF 6 POSITIONS, FOUR IN THE GENERAL FUND AND ALL OF THOSE FIT IN THAT CATEGORY OF RECOVERING FROM SOME OF OUR DEFERRALS IN OUR INVESTMENT IN EMPLOYEE PROGRAMS. THIS IS WHAT THEY ARE IN THE GENERAL FUND. I WOULD POINT OUT THE BULK OF THESE ARE FRONT LINE POSITIONS: TECHNICIANS, AND THE PEOPLE FIXING THINGS AND MAKING THINGS LAST. THE HVAC TECHNICIAN, THE HUMAN RESOURCES ANALYST POSITION. WE FEEL WE NEED TO ADDRESS SOME OF THE HR SUPPORT PROGRAMS THAT HAVE LAGGED IN RECENT YEARS AS WELL AS WHAT WE INTEND TO DO TO KEEP OUR PAY SCALES

FIXED. THE IT ENGINEER, OUR IT INFRASTRUCTURE IS IN NEED OF SUPPORT AS WELL AS THEIR PHYSICAL INFRASTRUCTURE AND THEN CONVERT MANAGEMENT POSITION OF FRONT LINE SHARED MAILROOM/WAREHOUSE POSITION. THIS IS THE ONE WHERE I MENTIONED WE TOOK A MANAGEMENT POSITION WE FELT WE NO LONGER NEEDED. WE CONVERTED IT INTO TWO WORKER POSITIONS TO HANDLE THE WORKLOAD. IN THE POLICE DEPARTMENT, WE HAD A FORENSICS POSITION. WE USED THAT TO HIRE AN EMPLOYEE LAST YEAR. THAT EMPLOYEE HAS BEEN WORKING AND PROVIDING SUPPORT. OUR FORENSICS LAB HAS BEEN INVOLVED SEVERAL HIGH PROFILE CRIME INVESTIGATIONS THIS YEAR. THE PROPOSAL IS TO CREATE A POSITION SO WE CAN KEEP THAT IN OUR STAFFING. I BELIEVE YOU WILL HEAR MORE ABOUT IT IN THE PUBLIC SAFETY PRESENTATION. JUST QUICKLY, A SERIES OF SLIDES THAT SHOW THE NEED FOR MAKING SOME OF THESE INVESTMENTS IN OUR INFRASTRUCTURE. THIS ONE I SHOWED YOU LAST YEAR FROM 2004-05 SUBSTANTIAL INGRADE IN THE SQUARE FOOTAGE OF THE FACILITIES THAT THE CITY OWNS AND OPERATES THAT OUR FACILITY STAFF IS RESPONSIBLE FOR MAINTAINING. WE HAD STAFFING THAT GREW FOR A PERIOD OF TIME AND THEN IT FELL OFF. WE ARE RECOMMENDING ONE FACILITIES POSITION TO START TO ADDRESS THAT SHORTFALL. HARDER TO COME UP WITH A SINGLE MEASURE OF HUMAN RESOURCES' STAFFING NEEDS, BUT THIS IS REPRESENTATIVE. THE NUMBER OF RECRUITMENTS THAT OUR HUMAN RESOURCES STAFF HAS TO HANDLE. A LOT OF RECRUITMENTS AS YOU WOULD EXPECT IN THE DOWN TURN OF THE ECONOMY. PEOPLE WERE NOT LEAVING, THE STAFFING WORK LOAD DECREASED. IT IS BACK UP NOW. THE STAFFING IN HR PERSONNEL IS NOT SO THERE'S A PROPOSAL TO START TO ADDRESS THAT WITH ONE POSITION. OUR IT PEOPLE ARE AS BUSY AS EVER. WE ARE PROPOSING ONE POSITION TO CLOSE THAT GAP AND SPENDING AND PURCHASING, ADMINISTRATIVE SERVICES. THIS IS AN AREA WE CREATED ANOTHER POSITION OUT OF A MANAGEMENT POSITION WE WILL NO LONGER USE.

[Time: 01:19:01]

ALSO MENTIONED THE ONE-TIME USES. WE ARE PROPOSING A BUDGET AND THE TREASURER WILL SHOW YOU SOME OF THE DETAILS BUT THE BUDGET WE'RE PROPOSING USES ABOUT \$6.5 MILLION OF PROJECTED UNRESERVED FUND BALANCE. WE FEEL IT IS PRUDENT. OUR PROJECTIONS ARE WE WILL STILL BE LEFT WITH A BALANCE OF OVER \$4 MILLION AT THE END OF FISCAL YEAR 2013-14. WE FEEL THESE USES DON'T ADD TO OUR BASE. SOME ARE SIMILAR TO WHAT YOU HAVE SEEN BEFORE. WE ARE PROPOSING A \$3 MILLION IN ADDITION TO 25% CONSTRUCTION SALES TAX REVENUE THAT WE PUT IN BY FINANCIAL POLICY, SAME AS LAST YEAR. ANOTHER TRANSFER, ANOTHER USE OF UNRESERVED FUND BALANCE OF DEFERRED MAINTENANCE OF EQUIPMENT SIMILAR TO LAST YEAR. BUDGETED OUT OF ONE-TIME USE, FUNDING FOR THE ELECTION THAT WE WILL HAVE IN THE FALL, THE BOND ELECTION. THERE'S A POSSIBILITY HOPEFULLY WE WILL HAVE AN ACTION IN FRONT OF YOU WITHIN A MONTH. WE MAY BE ADDING A FRANCHISE ELECTION. WE BUDGETED THE FULL AMOUNT HERE AS A ONE-TIME USE. THE ENTERPRISE FUNDS, YOU WILL HEAR FROM THE DIVISIONS WHERE THE ENTERPRISE FUNDS RESIDE. I WON'T GO IN THE DETAILS AND THE NEEDS ON THE BUDGET IN THE ENTERPRISE FUNDS AT THIS POINT. THE ONE POINT I WILL MAKE THOUGH IS THAT THEY DO HAVE AN IMPACT ON THE GENERAL FUND. WHEN WE TALKED TO YOU IN FEBRUARY ABOUT THE BUDGET ASSUMPTIONS WE PRESENTED TO YOU THE FACT THAT WE WERE PLANNING ON THE LAST YEAR OF RIGHT SIZING THE AMOUNT OF MONEY THE ENTERPRISE FUNDS PAID FROM THE GENERAL FUND FROM THE SUPPORT THEY GET FROM THE GENERAL FUND AND THE GENERAL THOUGHT WAS THAT MAYBE WE COULD SPLIT THAT INTO TWO YEARS. WE DID THAT. WE ARE GOING TO GET INTO A LITTLE

BIT MORE DETAIL ON THE CAPITAL SIDE OF THE BUDGET AS PART OF THE PUBLIC WORKS PRESENTATION. DEREK EARLE WILL PRESENT SOME SLIDES ON THE CAPITAL PROGRAM. JUST A LISTING OF SOME REPRESENTATIVE PROJECTS THAT ARE PROPOSED THAT ARE IN THE PLAN FOR NEXT YEAR. I WOULD MAKE THE POINT THAT JUST OUT OF THOSE LISTED ONLY ONE IS REALLY A GENERAL FUND PROJECT. THERE ARE STILL OTHER FUNDING SOURCES. THE AIRPORT TAXI WAY PROJECT IS AN FAA FUNDED PROJECT. THE POLICE SPECIAL INVESTIGATION BUILDING IS FUNDED THROUGH RICO FUNDS. AND MOST OF OUR TRANSPORTATION PROGRAM IS FUNDED WITH DEDICATED TRANSPORTATION SALES TAX. LOOKING AT THE SCHEDULE MOVING FORWARD, AS I MENTIONED, WE WILL HAVE THE DIVISION PRESENTATIONS TONIGHT. I HAVE THREE NIGHTS, TONIGHT, TOMORROW, AND THURSDAY SCHEDULED. THE HOPE IS THAT WE DON'T NEED ALL THREE NIGHTS. BUT WE HAVE THEM SCHEDULED IF NECESSARY. WE ARE GOING TO ADDRESS ALL OF YOUR QUESTIONS BUT WE ARE HOPING TO FOCUS ON THE CHANGES AND UNMET NEEDS IN SOME CASES. BUT PRIMARILY THE CHANGES TO THE BUDGET THAT OCCUR IN EACH DIVISION AND THEN MAY 14th ADDITIONAL HEARING FOR COUNCIL TO GIVE US DIRECTION. MAY 14th IS TENTATIVE BUDGET ADOPTION WHERE WE ADOPT OVERALL LIMIT AND JUNE 4th IS THE FINAL BUDGET ADOPTION. AND WITH THAT I WILL TURN THE PRESENTATION OVER TO THE TREASURER FOR THE SECOND HALF OF THE PRESENTATION TO ADDRESS THE NUMBERS AND THE BROADER BUDGET CONTEXT.

Mayor Lane: THANK YOU MR. WORTH.

[Time: 01:23:49]

City Treasurer David Smith: GOOD EVENING MAYOR, MEMBERS OF COUNCIL. I WILL TELL YOU WHERE THAT STRATEGY LEAVES US IN TERMS OF NUMBERS AND I WILL PERHAPS TALK ABOUT A BROADER ARRAY OF BUDGET CONSIDERATIONS THAN JUST THE GENERAL FUND BECAUSE AS THIS NEXT SLIDE SHOWS, AND YOU HAVE SEEN THIS BEFORE, I THINK, YOU ARE OBLIGED BY THE BUDGETING PROCESS TO REALLY APPROVE A BUDGET FOR THE TOTALITY OF THE CITY INCLUDING ENTERPRISE FUNDS AND THE CAPITAL PROGRAM. A WHOLE VARIETY OF THINGS OTHER THAN JUST THE GENERAL FUND WHICH IS IN THE LOWER LEFT HAND CORNER OF THIS. SO I WILL SPEND A FEW MINUTES ON THE OTHER CONSIDERATIONS AS WELL. THE FIRST ONE HIGHLIGHTED ON THE SCREEN IS THE APPROVAL YOU WILL MAKE OF SPENDING AUTHORITY FOR CONTINGENCIES AND RESERVES. WE HAVE NO INTENTION OF SPENDING THE CONTINGENCIES OR RESERVES BUT THEY ARE THERE TO SAFEGUARD THE VIABILITY OF THE CITY'S BUDGET. IF WE HAVE A DAY OF ARMAGEDDON AND WE HAVE TO SPEND THE MONEY, WE NEED THE SPENDING AUTHORITY TO DO SO. IT'S ONE OF THE FIRST ITEMS THAT ROLLS INTO THE TOTAL OF \$1.2 MILLION BUDGET THAT YOU ARE GOING TO BE APPROVING. BUT I WANT TO EMPHASIZE THAT WE DON'T HAVE THE INTENTION OF SPENDING THOSE MONIES.

NEXT ITEM, A TOTAL OF MORE THAN \$500 MILLION YOU ARE BEING ASKED TO APPROVE THAT ALTHOUGH WE WILL NOT SPEND ALL OF THAT. IT IS REQUESTED THAT YOU APPROVE THE TOTALITY OF THE PROJECT ALTHOUGH IT WON'T ALL BE SPENT NEXT YEAR. IF HALF IS SPENT LAST YEAR AND THE REMAINDER IS THIS YEAR, YOU HAVE TO APPROVE THE WHOLE PROJECT. THIS NEXT PAGE SHOWS THE SPENDING BY CATEGORIES OF MONEY THAT WOULD BE IN THIS \$514 MILLION EXPENDITURE AUTHORITY. YOU CAN SEE THE BIGGEST PART IS TRANSPORTATION AND WATER MANAGEMENT. 6:00 AND 10:00 POSITIONS ALSO MONEY ANTICIPATED TO BE SPENT ON PRESERVATION AND OTHER INITIATIVES. WE WON'T SPEND THE WHOLE \$514 MILLION. IN FACT WE WOULD ONLY SPEND \$274

MILLION. SOME OF THESE CATEGORIES WILL BE MORE FULLY SPENT THIS YEAR THAN OTHERS. FOR EXAMPLE, THE PRESERVATION \$105.6 MILLION WE EXPECT TO SPEND \$78 MILLION OF THAT. THAT'S THE ANTICIPATED CAPITAL OUTLAY IF YOU WILL FOR ACQUIRING ADDITIONAL PRESERVATION LAND IN AUCTION NEXT YEAR. SOME OF THE OTHER CATEGORIES WE ARE SPENDING LESS. COMMUNITY FACILITIES \$67.7 MILLION, WE WILL ONLY SPEND ABOUT \$50 MILLION. AND TRANSPORTATION SHOWING AT \$151 MILLION, WE WILL ONLY BE SPENDING ABOUT HALF THAT, \$86 MILLION. BUT AGAIN YOU HAVE TO AUTHORIZE THE TOTAL SPENDING AMOUNT AND YOU WILL HEAR MORE IN THE CIP PRESENTATION HOW THEY ARE ACTUALLY PROBABLY GOING TO SPEND MONEY NEXT YEAR OUT OF THE CIP PROGRAM. THE NEXT CATEGORY YOU ARE REQUIRED TO APPROVE IS THE SPECIAL DISTRICT BUDGET FOR GRANTS, TRUSTS, AND THINGS LIKE THAT. THIS \$17.8 MILLION IS A RELATIVELY SMALL AMOUNT, IT IS ONLY FOR THE ITEMS WE KNOW OF RIGHT NOW THAT WILL COME IN, IN THE FORM OF GRANTS, TRUSTS AND SPECIAL BUDGETS. THERE MAY BE OTHERS THAT COME ALONG DURING THE YEAR AND IF IT DOES IT WILL BE FUNDED OUT OF THE FAR RIGHT COLUMN, THE CONTINGENCIES AND RESERVES BUDGET, THAT YOU WILL APPROVE. THE OPERATING BUDGET, WHICH IS THE NEXT BOX TO THE LEFT ON THE SCREEN HIGHLIGHTED THERE, IS COMPRISED OF SEVERAL ON THIS DISPLAY, 5 DIFFERENT DISCREET BUDGETS THAT IN TOTALITY COMPRISE THE OPERATING BUDGET AND THE FIRST ONE I WILL TALK ABOUT IS THE FAR RIGHT, INTERNAL SERVICES. THESE ARE VARIOUS BUDGETED ITEMS THAT WE ARE DOING THINGS AT THE CITY FOR OTHER DEPARTMENTS. MAYBE IT IS CLEARER IF WE LOOK AT THE SLIDE FOR INTERNAL SERVICES, WHAT WE HAVE AS THE SOURCES OF MONEY AND THEN TO THE QUESTION OF WHAT YOU WILL BE APPROVING ON THE SPENDING SIDE. AS YOU SEE THEY ARE IN BALANCE, BASICALLY. SOME CHANGE IN THE RESERVE LEVEL, BUT BASICALLY \$54.4 MILLION COMING IN AND A COUPLE MILLION MORE THAN THAT BEING SPENT. SO WHAT YOU ARE BEING ASKED TO APPROVE IS ON THE SPENDING SIDE. HALF OF THE MONEY IS COMING FROM HEALTH INSURANCE PREMIUMS EITHER PAID TO THE SPECIAL FUNDS BY ALL THE VARIOUS DIVISIONS OF THE CITY TO COVER THE HEALTH INSURANCE NEEDS OF THEIR EMPLOYEES OR A PORTION OF THIS. AT THE 12 AND 1:00 POSITION IS THE CONTRIBUTIONS OF MONIES COMING FROM THE EMPLOYEES AND RETIRES THEMSELVES. SO MUCH OF THE SOURCES COME FROM OTHER CITY DEPARTMENTS BUT IN THIS CASE IT IS MONEY FROM OUTSIDE THAT IS COME FROM EMPLOYEES AND RETIREES. AS THE DIVISIONS NEED CARS AND FUELS AND MAINTENANCE IT IS ALL PAID FOR ON A PER CAR AND PER VEHICLE BASIS AND IT GOES TO THE FLEET FUND AND THEY ACQUIRE VEHICLES AND FUELS AND MAINTENANCE, PARTS AND PIECES. SO AGAIN YOU ARE APPROVING TONIGHT, OR YOU ARE LOOKING FOR APPROVAL ON THE EXPENDITURE WHICH IS THE PIE CHART ON THE RIGHT. WHAT WE SPEND ALL THESE MONIES THAT COME IN FOR, THE BIGGEST PART GOES FOR CONTRACTUAL SERVICES WHICH WOULD BE SOMEONE LIKE AETNA, THAT FRONTS FOR THE CITY HEALTH INSURANCE PROGRAM AND THE OTHER HEALTH INSURANCE PROGRAMS FOR GENERAL LIABILITY AND PROPERTY DAMAGE AND SO ON. THE FLEET PROGRAM SPENDS A LOT OF MONEY FOR FUEL AND THEY SPEND A LOT ON BUYING NEW VEHICLES. SO THE INTERNAL SERVICE FUNDS BY AND LARGE ARE BALANCED EACH YEAR BY WHAT THEY BRING IN FROM EITHER THE DIVISIONS OR THE EMPLOYEES IS SPENT ON THESE VARIOUS PROGRAMS, MOST OF THEM BEING CHARGED OUT TO THE OTHER CITY SERVICES.

[Time: 1:31:42]

THE NEXT CATEGORY, I WON'T SPEND A LOT OF TIME TALKING ABOUT THIS, BEING THE ENTERPRISE FUNDS AND THE BIGGEST SINGLE FUND WE HAVE HERE IS THE WATER RECLAMATION AND NON POTABLE WATER. YOU HAVE SEEN OTHER PRESENTATIONS ON THIS BUT I WILL SHOW YOU AGAIN ON

THE PIE CHART WHERE THE MONEY IS COMING FROM, ON THE LEFT. AND WHERE IT IS GOING IS ON THE RIGHT. WHAT YOU'RE BEING ASKED TO APPROVE IN THE TOTAL \$1.3 BILLION SPENDING BUDGET IS THE PROGRAM ON THE RIGHT. THE BIGGEST SOURCE OF REVENUES ON THE LEFT IS FROM THE WATER CHARGES AND THE SEWER OR WATER RECLAMATION CHARGES AS WELL AS THE POTABLE WATER AND WHERE THE MONEY GOES IS ON THE RIGHT. A SMALL PORTION OF IT IN THE 2:00 POSITION IS GOING FOR PERSONNEL SERVICES BUT MOST OF WHAT THE ENTERPRISE SPENDS THEIR MONEY ON IS IN THE CASE OF THE WATER DEPARTMENT IS WATER, OR ELECTRICITY TO TREAT THE WATER OR OTHER SERVICES WHERE THEY HAVE AGREEMENTS WITH OTHER UTILITIES. A SMALL PART OF WHAT THE ENTERPRISE FUNDS DO ARE SPENT TO PAY THE GENERAL FUND AND OTHER FUNDS FOR SERVICES PROVIDED. THEY PAY MY DEPARTMENT, THE FINANCE DEPARTMENT. THEY PAY ME FOR THE WORK MY FOLKS DO AND THERE IS A WHOLE VARIETY OF SERVICES THEY PAY FOR AND THEY ALSO PAY A FRANCHISE FEE, VERY MUCH AS THEY WOULD IF THEY WERE A PUBLIC UTILITY. THE NEXT BOX OF SPENDING THAT YOU WILL BE APPROVING HAS TO DO WITH DEBT SERVICE AND ITS \$83.5 MILLION DOES NOT INCLUDE DEBT SERVICE THAT MAY BE PAID BY THE ENTERPRISE FUND BECAUSE THEY DO THEIR OWN DEBT SERVICE. YOU MAY HAVE PICKED THAT UP ON THE PREVIOUS SLIDE. THIS PAYS FOR ALL EXCEPT THE ENTERPRISE FUND. ON THE RIGHT YOU ARE APPROVING THE SPENDING SIDE FOR DEBT SERVICE. THE TOTAL DEBT SERVICE FOR THE CITY \$119.1 MILLION BUT AS I SAID \$29.5 MILLION DOLLARS IS PAID DIRECTLY BY THE ENTERPRISE FUND AND \$3.6 MILLION PAID BY COMMUNITY FACILITY DISTRICTS SO IT IS NOT INCLUDED AND \$2.5 MILLION IS CERTIFICATE OF PARTICIPATION DEBT. IT IS NOT INCLUDED BECAUSE IT IS A GENERAL FUND EXPENDITURE. AGAIN FOR INFORMATION, MORE THAN APPROVAL, I'M SHOWING ON THE LEFT-HAND SIDE WHERE THE MONEY COMES FROM. ACTUALLY ON THE LEFT-HAND SIDE HERE WE'RE SHOWING THE TOTAL DEBT OUTSTANDING BECAUSE THERE'S A LOT OF DISCUSSION AND INTEREST IN THAT. IT IS \$1.259 BILLION OF DEBT.

[Time: 01:35:15]

THIS IS WHAT THE VOTER APPROVED ATTACHED TO THEIR PROPERTY, SECONDARY TAX PROPERTY OBLIGATION. THE GREEN PIECE IS FOR THE PRESERVE ACQUISITIONS AND A COUPLE PIECES ON THE SIDE IS NEW DEBT WE ARE ANTICIPATING WE WILL ISSUE NEXT YEAR 2013-14. IF SUCCESSFUL WE WILL ISSUE \$75 MILLION DOLLARS OF PRESERVE DEBT. THEN A SMALL AMOUNT OF MONEY WE EXPECT WE WILL ISSUE FOR THE MUSEUM OF THE WEST IF THAT PROJECT GOES FORWARD AND IT IS BUDGETED TO GO FORWARD. THE REMAINING PURPLE PIECE LABELED MPC, IS THE DEBT WE TALK ABOUT THINGS LIKE SKYSONG AND 80 ACRES OF LAND AND A VARIETY OF THINGS. THIS IS THE DEBT THE VOTERS DO NOT APPROVE, THEY DON'T VOTE ON THIS. IT IS ISSUED AND PAID FOR IN EXCISE TAXES IF AND WHEN THEY ARE AVAILABLE. THEN YOU CAN SEE ON THE RIGHT-HAND SIDE THIS IS WHAT YOU'RE APPROVING IN THIS CATEGORY, \$83.5 MILLION IN DEBT SERVICES. THE PROPERTY TAX BEING THE BIGGEST PORTION OF THE DEBT SERVICE, THE PRESERVE TAX AS WELL AND THE MPC DEBT. IT IS PAID IN SOME CASES BY OTHER SOURCES, BED TAX AND OTHER WISE BUT MOST OF IT IS PAID AS A CHARGE AGAINST THE EXCIZE TAXES COLLECTED BY THE GENERAL FUND. THE SPECIAL REVENUE FUND INCLUDES SOME THINGS WILL YOU BE FAMILIAR WITH. AGAIN WE WILL GO BACK TO SOURCES WHERE THE MONEY IS COMING FROM AND THEN THE PART YOU ARE DOING TONIGHT WHICH IS APPROVING THE SPENDING. WE EXPECT TO SPEND \$94 MILLION. WE EXPECT TO SPEND DOWN SOME RESERVES. THE PIECE YOU MIGHT BE MOST FAMILIAR WITH IS AT THE 4 TO 6:00 POSITION, THE BED TAX MONIES THAT COME INTO THE CITY AS WELL AS THE LEASE PAYMENTS ON THE PRINCESS HOTEL. THOSE ARE SOURCES FOR WHAT WE SET UP LAST YEAR BEING THE TOURISM DEVELOPMENT SPECIAL REVENUE

FUND. ON THE SPENDING SIDE YOU CAN SEE HOW THE MONEY GOES OUT FOR THE SAME ITEM. HALF OF THE BED TAX GOES TO DEVELOP TOURISM AND MARKETING, YOU CURRENTLY GIVE ALL THAT TO THE CVB AND THE OTHER HALF OF THE MONEY PLUS ALL OF THE PRINCESS LEASE MONEY, IS RETAINED HERE FOR COUNCIL'S EXPENDITURE AND DELIBERATION. BESIDES THAT, WE HAVE THE TRANSPORTATION FUND. IT GETS MONEY FROM ITS OWN SPECIAL TAX, 0.2% TAX ON SALES AND IT GETS TAX FROM OTHER SOURCES. IT SPENDS ALL THAT OBVIOUSLY ON TRANSPORTATION EITHER CAPITAL OR OPERATING INITIATIVES. AND THEN PRESERVATION TAX IS 0.35% OF ALL THE SALES TAX APPLICABLE TO SALES IN THE CITY, THAT GOES INTO THE PRESERVE SPECIAL REVENUE FUND AND IT IS TRANSFERRED OUT TO PROVIDE DEBT SERVICE FROM THE PREVIOUS SLIDE YOU SAW. AGAIN YOU'RE APPROVING THE EXPENDING SIDE OF THIS EQUATION \$94.1 MILLION FOR THE SPECIAL REVENUE FUNDS. THE GENERAL FUND, I WON'T REPEAT WHAT THE CITY MANAGER GAVE YOU. HE LAID OUT THE SPENDING INITIATIVES AND STRATEGIES HE IS PROPOSING. I'M HERE TO TELL YOU ON THE LEFT-HAND SIDE THE SOURCES AND THE RIGHT-HAND SIDE THE USES. THE SOURCES ARE THE OPERATING REVENUE THAT'S WE EXPECT TO RECEIVE IN THE CITY. \$227.5 MILLION AND WE WILL TALK MORE ABOUT THOSE IN A MINUTE. TRANSFERS IN WE EXPECT WILL BE \$10.9 MILLION. TOTAL \$238.4 MILLION FROM CONTINUING SOURCES OF MONEY, SALES TAX, STATE SHARED TAX, PROPERTY TAX AND THE LIKE. AND THEN \$6.4 MILLION WE EXPECT TO SPEND IN THE BUDGET. THOSE ARE THE UNRESERVED FUNDS APPLIED. AND THE CITY MANAGER TALKED ABOUT SOME OF THE INITIATIVES HE HAS FOR SPENDING THOSE MONIES. \$3 MILLION, ALMOST HALF WOULD BE A SPECIAL TRANSFER TO CIP, JUST AS YOU AUTHORIZED LAST YEAR. SOME PORTION WILL PAY FOR ONE-TIME PAY INCREASES: MERIT PROGRAMS, SUPERIOR PERFORMANCE HE CALLED IT. HE WENT THROUGH THE LIST I WON'T REPEAT IT. BUT \$6.4 MILLION OF ONE-TIME MONEY WILL BE SPENT FROM, IF YOU WILL, THE SAVINGS ACCOUNT THAT THE CITY HAS BUILT UP OVER THE YEARS IN THE GENERAL FUND. \$244.8 MILLION IS AVAILABLE. AND \$244.8 MILLION WILL BE SPENT IN VARIOUS SERVICES AND PROGRAMS, CONTRACTUAL OBLIGATIONS, TRANSFERS TO OTHER ENTITIES. \$244.8 MILLION.

[Time: 01:41:40]

WHERE DOES THAT LEAVE US? WE EXPECT AT THE END OF NEXT YEAR WITH THIS APPROVED BUDGET AND ASSUMING IT HAS NO GAINS OR LOSSES AND JUST WORKS OUT THE WAY WE PLAN, WE WOULD END UP WITH \$25.1 MILLION OF GENERAL FUND RESERVES. THAT WAS IN A BOX I DISCUSSED EARLIER WHEN I TALKED ABOUT RESERVES. YOU WILL HAVE AUTHORIZED THE SPENDING OF THIS MONEY BUT WE HAVE NO INTENTION OF SPENDING IT UNLESS ARMAGEDDON HITS. WE HAVE 5 MILLION DOLLARS AND WE EXPECT TO HAVE IT STILL AT THE END THE YEAR FOR OPERATING CONTINGENCIES. THAT'S THE MONEY WE SET ASIDE JUST IN CASE WE FORGOT SOMETHING IN THE SPENDING SIDE. WE NEVER SPEND THIS WILLIE NILLY BUT WE COME BACK TO COUNCIL AND SEEK AND GAIN YOUR APPROVAL BEFORE SPENDING THAT MONEY. BUT IT IS FOR THOSE THINGS THAT CROP UP UNEXPECTEDLY IN THE MIDDLE OF THE YEAR. FINALLY WE EXPECT THAT EVEN WITH THIS BUDGET WE WILL HAVE \$4.1 MILLION OF UNRESERVED BALANCE AT THE END OF NEXT YEAR. THE CITY MANAGER MENTIONED IT WAS \$4 MILLION BUT WE ARE BOTH TALKING ABOUT THE SAME ITEM. IN FACT I THINK IF WE WERE BOTH GIVE YOU OUR BEST PREDICTION IT WILL BE A NUMBER A BIT HIGHER THAN \$4.1. YOU HEARD THE ACCOUNTING DIRECTOR GIVING YOU THE 9 MONTH REPORT ON FINANCIALS EARLIER THIS EVENING AND SHE TOLD YOU WHERE THE BUDGET WAS LIKELY TO COME OUT AND SHE CAME UP WITH A NUMBER OF \$11.3 MILLION DOLLARS AT THE END OF THIS YEAR. IF YOU WANT TO SEE WHERE THAT NUMBER IS ACTUALLY, IT IS A COMBINATION OF THIS \$4 MILLION AND THAT \$6.2, THE

COMBINATION OF THE TWO NUMBERS I CIRCLED HERE. OUT THAT \$11 MILLION AND CHANGE THE CITY MANAGER IS ASKING PERMISSION TO SPEND \$6.4 AND THAT LEAVES \$4.1 IN THE UNRESERVED FUND BALANCE AND A FEW OTHER THINGS CHANGED. IF YOU WERE LISTENING CAREFULLY WHEN JOYCE GILBRIDE GAVE THE PRESENTATION, SHE PREDICTED, ALTHOUGH THIS IS BASED ON THE PROPOSED BUDGET, AS WE SIT HERE NOW WE THINK WE MIGHT BE A COUPLE MILLION BETTER THAN THAT PREDICTION AND IF WE ARE THAT \$2 MILLION WILL ALL FALL TO THE UNRESERVED FUND BALANCE LINE AND WHAT YOU SEE AS \$4.1 OF UNCOMMITTED MONIES MIGHT BE \$6 OR \$6.5 MILLION OF UNCOMMITTED MONIES. IT IS IMPORTANT BECAUSE NOTHING IN THE BUDGET THAT THE CITY MANAGER HAS PROPOSED HAS INVADED THAT UNRESERVED FUND BALANCE AS DISPLAYED \$4.1 MILLION OR AS I AM PREDICTING PERHAPS \$6 OR \$6.5 MILLION.

THE SOURCES AS SHOWN ON THE PREVIOUS SLIDE, \$244.8 MILLION DOES INCLUDE A SMALL WEDGE OF MONEY USE OF THE SAVINGS CARRIED OVER \$6.4 MILLION OF THE UNRESERVED MONIES THAT WILL BE USED IN THE OUTLINE FOR YOU. BUT THE REMAINDER OF THE MONEY COMING IN IS THE TRADITIONAL MIX OF MONEY WE GET HERE IN THE CITY, THE CONTINUING, WE CERTAINLY HOPE THE CONTINUING RESOURCES, THE BIGGEST PART BEING THE LOCAL SALES TAX COLLECTION, THE BRIGHT BLUE PART ON THE RIGHT SIDE OF THE GRAPH. THAT'S A NUMBER WHICH HAS NOW, WE HOPE NEXT YEAR WILL GROW BACK TO IN EXCESS OF \$100 MILLION JUST BARELY. IT USED TO BE MORE LIKE \$130 MILLION IN THE GOOD OLD DAYS BUT WE ARE CREEPING BACK UP. THE STATE SHARED REVENUES \$50 MILLION IS A COMBINATION OF OUR SHARE OF THEIR SALES TAX AS WELL AS OUR SHARE OF THEIR INCOME TAX AND A SMALL SHARE OF THEIR AUTO IN LIEU TAX. PROPERTY TAX, THE GREEN PART IN THE 8:00 POSITION IF YOU WILL, \$25.5 MILLION THE CITY MANAGER INDICATED TO YOU AND IS REFLECTED HERE. THIS DOES NOT INCLUDE A RECAPTURE OF PRIOR YEARS WAIVED 2% TAXES NOR DOES IT INCLUDE IMPOSITION OF THE 2% PERMISSIBLE INCREASE FOR 2013-2014. IN OTHER WORDS IT IS FLAT TO THE PRIOR YEAR WITH ONE EXCEPTION. IF THERE'S CONSTRUCTION IT GENERATES TAX, SO THE NUMBER GOES UP BY NEW CONSTRUCTION BUT NONE BECAUSE OF COUNCIL ACTION. NO RECAPTURE AND NO USE OF THE 2% INCREASE.

[Time: 01:47:11]

THIS IS A NUMERIC DISPLAY OF THOSE REVENUES WE DISCUSSED EXCEPT FOR THE MONIES TRANSFERRED IN. I DIDN'T SHOW THOSE HERE BUT THESE ARE THE MONIES COMING FROM CONTINUING SOURCES, TOTAL OF \$238.4 MILLION. I CIRCLED IT AT THE BOTTOM OF THE THIRD COLUMN OF NUMBERS. YOU CAN SEE THE GROWTH LINE BY LINE. THE SALES TAX IS EXPECTED TO GROW 3% OR SO FROM LAST YEAR'S APPROVED BUDGET. WE HAVE BEEN THROUGH THIS WITH YOU IN PREVIOUS COUNCIL MEETINGS THAT MAY SEEM LIKE A MODEST NUMBER BUT I HOPE YOU AGREE WITH THE NUMBER OR HAVE A BETTER UNDERSTANDING OF IT BY LOOKING AT THESE PIECES AS WAS GIVEN TO YOU A MONTH OR SO AGO. AND ALL THE OTHER PIECES WORKING THEIR WAY DOWN THE LINE. WE FEEL COMFORTABLE AS HE DESCRIBED THAT THIS IS A SOLID BUDGET NEITHER OVERLY AGGRESSIVE NOR OVERLY CONSERVATIVE. BUT THOSE ARE THE SOURCES AND AGAIN THEY COMPRISE THE \$238.4 MILLION EXCEPT THE \$6.4 MILLION FROM THE UNRESERVED FUND BALANCE. AND THEN, AGAIN, WHAT YOU WILL BE APPROVING TONIGHT IS ON THE SPENDING SIDE FOR THE GENERAL FUND ONLY, THE LAST BOX ON THAT SERIES OF BOXES WE HAVE BEEN TALKING ABOUT. THEY WILL BE SPENDING \$244.8 MILLION AND YOU CAN SEE THE PIECES AND THE NATURE OF THE SPENDING HERE. THIS IS WHAT YOU WILL BE HEARING FROM EACH DIVISION MANAGER AS THEY DESCRIBE TO YOU

THEIR SPENDING REQUIREMENTS OR THEIR SPENDING PLANS, COMMUNITY SERVICES, PUBLIC SAFETY; FIRE, POLICE, PUBLIC SAFETY ADMINISTRATION, PUBLIC WORKS. YOU WILL HEAR FROM ALL THE DEPARTMENTS AS WE WORK OUR WAY THROUGH THE EVENING BUT THIS IS WHAT THEY WILL BE TALKING TO. IT ADDS UP TO \$244.8 MILLION OF SPENDING. IF YOU APPROVE THAT, THAT'S MY LAST SLIDE, THAT IS THEN THE LAST BOX, IF YOU WILL, IN THE PROPOSED BUDGET. YOU WILL, AS I SAID AND WILL SAY AGAIN FOR THE BENEFIT OF THOSE LISTENING OR WATCHING. WHATEVER, WE ARE APPROVING A SPENDING BUDGET ONLY THAT IN TOTAL IS \$1.182.9 MILLIONS AND AT THAT POINT I WILL EITHER TURN IT BACK TO THE CITY MANAGER OR TO YOU FOR QUESTIONS. EITHER OF YOU EITHER ON THE STRATEGY.

Mayor Lane: WE HAVE ONE REQUEST TO SPEAK AND IT IS MR. JIM NOLAN.

[Time: 01:50:41]

Jim Nolan, President of the SCOTTSDALE Police: MR. MAYOR, LADIES AND GENTLEMEN OF THE COUNCIL GOOD AFTERNOON. AS YOU BEGIN THE IMPORTANT TASK OF SETTING THE BUDGET FOR THE YEAR TO COME, THE MEMBERS OF THE POLICE ASK YOU TO RECOGNIZE THE FIVE YEARS OF REDUCED TAKE HOME PAY, REDUCED PAY ROLL DEDUCTIONS. DURING THE FIVE YEARS OUR PUBLIC SAFETY PERSONNEL ENDURED SIGNIFICANT REDUCTIONS, INCREASED WORK LOAD AND PLUMMETTING MORALE. ONE GLARE IS THE FACT THAT A FULL THIRD OF THE CURRENT DISPATCHER POSITIONS ARE VACANT. IN ORDER TO FILL THOSE CRITICAL VACANCIES MANDATORY OVERTIME AND SHIFT SCHEDULING HAS BEEN IMPLEMENTED AND PERSONNEL HAVE BEEN PULLED FROM OTHER POLICE JOB FUNCTIONS TO SUPPLEMENT THE DISPATCH WORKFORCE. THE CITY OF SCOTTSDALE TODAY AND IN THE FUTURE IS AS BRIGHT AS IT HAS BEEN IN HALF A DECADE. THE MEMBERSHIP BELIEVES IT'S TIME TO MAKE CHANGES NOW TO THE PACKAGES BEING OFFERED TO OUR PUBLIC SAFETY PERSONNEL. IT IS NOT ADEQUATE FOR THE HUMAN RESOURCES DEPARTMENT TO DEVELOP NEW AND IMPROVED SALARY RANGES IF YOU AS A COUNCIL DON'T DIRECT THE TREASURER AND HIS STAFF TO IMPLEMENT THOSE RANGES AND TO PROVIDE A PATHWAY FOR LONG-TERM SERVING PERSONNEL TO MOVE THROUGH THOSE RANGES. AFTER YEARS OF CUTTING COSTS TO THE BONE THE CITY OF SCOTTSDALE HAS LANDED ON FIRM FINANCIAL FOOTING. OUR MEMBERSHIP HOPES WILL YOU TAKE THIS OPPORTUNITY TO SHARE IN THE CITY'S GOOD FINANCIAL FORTUNE FOR THOSE WHO HAVE STRUGGLED EVERY DAY TO ENSURE ITS ARRIVAL.

Mayor Lane: THANK YOU MR. NOLAN. WE HAVE A QUESTION FROM COUNCILMEMBER PHILLIPS.

Councilmember Phillips: THANK YOU MAYOR. I GUESS THIS IS FOR MR. Smith. ON YOUR LAST CHART OF THE GENERAL FUND, THE BALANCE WAS \$227.3 AND THEN IT LOOKED LIKE WHAT WE ARE ASKING FOR THE GENERAL FUND OF \$244.8? IS THAT CORRECT?

David Smith: MR. MAYOR AND COUNCILMAN PHILLIPS, YES YOU'RE RIGHT, \$227.3 IS THE SPENDING BY THE VARIOUS DIVISIONS. THERE IS A \$117.5 MILLION OF TRANSFERS OUT THAT THE GENERAL FUND MOVES OUT. AND THE TOTAL USES IS \$244.8 MILLION. I'LL ASK MS. MCILROY TO TELL YOU WHAT SOME OF THESE TRANSFERS OUT ARE THAT ARE REQUIRED BY THE GENERAL FUND.

Budget Director Judy McIlroy: MAYOR AND MEMBERS OF THE COUNCIL, SOME OF THE TRANSFERS THAT WE DO HAVE PROGRAMMED FOR 2013-2014 INCLUDE A \$9.4 MILLION TRANSFER FOR MPC DEBT SERVICE. WE ALSO HAVE \$5.4 MILLION PROGRAMMED TO TRANSFER TO OUR CAPITAL PROGRAM. THE \$3 MILLION THAT OUR CITY MANAGER TALKED ABOUT IS A USE OF THE UNRESERVED FUND BALANCE PLUS \$2.4 MILLION TO MEET OUR FINANCIAL POLICY OF 25% OF OUR CONSTRUCTION SALES TAX AND THOSE ARE THE TWO LARGEST THAT WE HAVE.

David Smith: SO IF I CAN INTERJECT AGAIN, YOU SAW SOME OF THESE TRANSFER OUT IN PREVIOUS SLIDES. CERTAINLY IN THE \$17.5 PART WHAT WE ARE TRANSFERRING IS THE SAME \$3 MILLION WE ARE SAYING IS COMING IN ON THE LEFT HAND SIDE AS A RESOURCE. IT'S MONEY IN THE UNRESERVED FUND BALANCE, IT'S BEING BROUGHT TO THE GENERAL FUND AND THEN TRANSFERRED TO CIP. AND YOU SAW THE DEBT SERVICE, THE BIGGEST PIECE. YOU SAW THAT AS A SOURCE OF MONEY FOR THE DEBT SERVICE FUND. AND THEN THE DEBT SERVICE FUND SPENDS THAT MONEY TO PAY THE INTEREST AND PRINCIPAL ON THE MPC DEBT THAT IS EXCISE TAX SUPPORTED.

Councilmember Phillips: SO THE PRESENTATIONS COMING TONIGHT, AND THAT CHART UP THERE, HAVE ALREADY BEEN INCLUDED TO SAY THAT THAT MONEY IS AVAILABLE?

[Time: 01:55:26]

David Smith: IF I UNDERSTAND YOUR QUESTION CORRECTLY, YES IT IS INCLUDED. IT'S A LITTLE BIT CONFUSING BECAUSE OF THE MULTIPLICITY OF FUNDS THAT WE HAVE AND MONEY MOVES FROM THE GENERAL FUND TO ANOTHER ONE AND THEN IT'S SPENT AND MONEY COMES FROM ANOTHER FUND TO GENERAL FUND AND IN THE TOTALITY OF IT YES, IT'S ALL BEEN ACCOUNTED FOR.

Councilmember Phillips: FOR THE CITY MANAGER THE 6.4% OF THE UNFUNDED FUND BALANCE, IF WE USE THAT AND APPLY THAT WE HAVE TO USE THAT AGAIN THEN EVERY YEAR? WOULD THAT BE A DEBT SERVICE FROM NOW ON?

Dan Worth: MAYOR, COUNCILMEMBER PHILLIPS, THE ANSWERS TO THAT IS NO. THAT'S \$6.4 MILLION THAT WE ARE PROPOSING, THAT ALL-TIME USES THAT DON'T HAVE TO BE PROGRAMMED IN AS RECURRING ANNUAL EXPENSES.

Councilmember Phillips: SO IT'S NOT FOR EMPLOYEES OR HIRING OR ANYTHING LIKE THAT. IT'S GOING TO GIVE US A COST LATER?

Dan Worth: COUNCILMEMBER PHILLIPS, EXAMPLES WOULD BE \$500,000 THAT WE HAVE SET ASIDE FOR THE ELECTION IN THE FALL. IT WOULD BE SOME SPECIFIC PROJECTS IN PUBLIC WORKS AND COMMUNITY SERVICES, FACILITIES.

Councilmember Phillips: ALL RIGHT. THANK YOU.

Mayor Lane: THANK YOU, COUNCILMAN. GREAT PRESENTATION ON BOTH PARTS, IT WAS VERY WELL PUT AND EXPLAINED. I DO NOT HAVE ANY PARTICULAR QUESTIONS ON THIS AND WE HAD ONE TESTIMONY ON THIS AND I THINK WE HAVE ONE DIRECTION THAT IS SIMPLE AND STRAIGHTFORWARD

IN THAT YOU ARE ON THE RIGHT PATH AND ARE IN GOOD STEAD AS WHAT HAS BEEN PROVIDED THUS FAR. WITH THAT WE WILL MOVE ON TO, ACTUALLY WHAT I WOULD LIKE TO DO BECAUSE I WOULD LIKE TO REMAIN SOMEWHAT CONSISTENT WITH THE PRESENTATION FOR WHAT IS INDICATED AS OUR FINAL ITEM, I'M SORRY, ITEM NUMBER EIGHT. I WOULD LIKE TO MOVE IN FRONT OF THAT, MAYOR AND COUNCIL ITEM NINE. IT SHOULD BE FAIRLY EASY TO ACCOMMODATE AND THEN WE CAN STAY CONSISTENT ON ITEM EIGHT AS WE GO THROUGH THE DEPARTMENTS IN VARIOUS BUDGETS THERE. SO BECAUSE OF THE IMPORTANCE OF ITEM EIGHT I'M GOING TO GO AHEAD AND MOVE NINE IN FRONT OF IT.

ITEM 9: STATE OF ARIZONA EXECUTIVE BUDGET RECOMMENDATIONS FOR ASU

[Time: 01:57:36]

Mayor Lane: THIS IS A REQUEST BY ASU FOR RESOLUTION FROM US TO SUPPORT THE GOVERNOR OF THE STATE OF ARIZONA EXECUTIVE BUDGET RECOMMENDATIONS FOR FISCAL YEAR 2014 AS IT AS IT RELATES TO THE FUNDING REQUESTED BY THE ARIZONA BOARD OF REGENTS AND ARIZONA STATE UNIVERSITY. WE'VE GOT A REQUEST TO ADOPT A RESOLUTION 9363 TO THAT EFFECT. I BELIEVE WE HAVE RACHEL SMETANA IS GOING TO GIVE A QUICK PRESENTATION ON THAT AND THEN WE WILL VOTE AS TO WHETHER WE WANT TO GO WITH THAT RESOLUTION.

Management Assistant to the Mayor Rachel Smetana: MEMBERS OF COUNCIL, I REALLY DON'T HAVE A PRESENTATION. I JUST WANTED TO OUTLINE, IN JANUARY GOVERNOR BREWER PUT FORWARD EXECUTIVE RECOMMENDATIONS FOR THE FISCAL YEAR 13-14 STATE BUDGET. THOSE INCLUDED \$58.6 MILLION FOR NEW MONEY FOR ARIZONA UNIVERSITIES WITH \$31.5 MILLION FOR ASU. SHORTLY AFTER ASU APPROACHED YOU AND ASKED YOU TO DECLARE SCOTTSDALE SUPPORT FOR THESE BUDGET RECOMMENDATIONS WITH THE RESOLUTION AND HERE WE ARE. TONIGHT WE ARE ALSO JOINED BY ERIC GUDINO FROM ASU'S GOVERNMENTAL RELATIONS DIRECTOR, DON COUVILLION AND JAMES SLOWICKI FROM THE ASU BUDGET DEPARTMENT IF YOU HAVE SPECIFIC QUESTIONS.

Mayor Lane: THANK YOU VERY MUCH, RACHEL. YES AND TO THE POINT OF REQUEST OF ME AND A REQUEST TO MOVE ON A RESOLUTION THAT WOULD SUPPORT THE GOVERNOR'S BUDGET AS IT RELATES TO ASU FROM THE BOARD OF REGENTS. I DON'T KNOW IF THERE ARE ANY SPECIFIC QUESTIONS AND I THINK EACH HAS BEEN MADE AWARE OF THIS ISSUE. IF THERE ARE QUESTIONS, LET'S GO AHEAD AND ADD THOSE, IF NOT I WILL ACCEPT THE MOTION THAT WE APPROVE THE RESOLUTION. COUNCILWOMAN MILHAVEN.

[Time: 01:59:54]

Councilwoman Milhaven: I MAKE THE MOTION TO ADOPT RESOLUTION 9363 SUPPORTING THE GOVERNOR'S STATE OF ARIZONA'S EXECUTIVE BUDGET RECOMMENDATIONS FOR YEAR 2014.

Councilmember Korte: SECOND.

Mayor Lane: MOTION HAS BEEN MADE AND SECONDED, NO FURTHER COMMENTS ABOUT, I'M SORRY, COUNCILMAN ROBBINS.

Councilman Robbins: I WANT TO ASK A QUICK QUESTION, MAYOR, AND I'M GOING TO SUPPORT THIS RESOLUTION BUT GUESS I'M WONDERING IF WE'RE GOING TO GET MORE OF THESE FROM OTHER ENTITIES THAT WANT THE CITY COUNCIL SUPPORT. WE COULD BE DOING THIS FOR THE SCOTTSDALE SCHOOL DISTRICT, COUNTY COMMUNITY COLLEGE DISTRICT, THERE COULD BE ALL KINDS OF FUNDING REQUESTS AND RECOMMENDATIONS FROM ALL KINDS OF ENTITIES THAT MAY WANT SIMILAR SUPPORT FROM THE CITY COUNCIL AND SO I AM A LITTLE UNSURE OF WHY WE ARE DOING THIS OTHER THAN THE SUPPORT ISSUE WHICH OF COURSE WE DO AND I DO AND THEY ARE GOOD PARTNER FOR US. I AM NOT SURE HOW MUCH WEIGHT WE CARRY OR HOW MUCH INFLUENCE WE'RE GOING TO HAVE OVER THIS BUDGET FOR THE STATE OF ARIZONA. I JUST WONDERED WHY WE'RE DOING THIS. I'M GOING TO SUPPORT THIS BUT I'M A LITTLE UNSURE AND WORRIED THAT WE'RE GOING TO SEE MORE OF THESE SIMILAR KIND OF RECOMMENDATIONS RESOLUTIONS IF WE START DOWN THIS PATH. THANK YOU.

Mayor Lane: THANK YOU, COUNCILMAN. COUNCILMAN LITTLEFIELD?

Councilman Littlefield: COUNCILMAN ROBBINS BRINGS UP A GOOD POINT WHICH IS EXACTLY WHY WE SHOULD NOT BE VOTING FOR THIS RESOLUTION. WHAT'S NEXT? SUSD BOND? WE HAVE FIVE SCHOOL DISTRICTS IN SCOTTSDALE, ARE THEY ALL GOING TO ASK THE CITY COUNCIL TO HAVE A MEASURE TO SUPPORT THEIR REQUEST? IT'S REALLY NOT OUR BUSINESS. WE SHOULDN'T BE LOOKING AT IT. WE WANT YOU TO GO OUT AND DO A BOND ISSUE. WE WOULD NEVER GO TO THEM AND ASK THEM TO PASS A RESOLUTION SUPPORTING OUR BOND. WE REALLY SHOULDN'T BE DOING THIS. WE HAD THE SAME DISCUSSION IN THE AUDIT COMMITTEE YESTERDAY ABOUT WHETHER WE SHOULD BE PASSING RESOLUTIONS ON IMMIGRATION POLICY OR WHOLE BUNCH OF OTHER SOCIAL ISSUES. IT IS REALLY NOT OUR BUSINESS AND WE REALLY SHOULD NOT BE MUCKING IN IT. I'M GOING TO OPPOSE THIS RESOLUTION ON PRINCIPLE.

[Time: 02:02:21]

Mayor Lane: THANK YOU, COUNCILMAN. I THINK BOTH THE POINTS THAT HAVE BEEN MADE BY COUNCILMAN ROBBINS AND COUNCILMAN LITTLEFIELD ARE LEGITIMATE IN THE SENSE THAT WHETHER WE ARE SETTING A PRECEDENT HERE OR NOT IS SOMETHING THAT WE CAN DECIDE ISSUE BY ISSUE OR WE CAN DETERMINE THAT THIS IS SOMETHING OFF THE SLATE FOR US THAT WE AS A COUNCIL WHETHER WE SHOULD OR SHOULD NOT BE REPRESENTING OUR GENERAL POPULATION WITH A RESOLUTION OF SUPPORT ON A BUDGET ISSUE THAT IS THAT THE STATE LEVEL OR AT ANY LEVEL FOR THAT MATTER. I BELIEVE FROM THE STANDPOINT AND MAYBE OF THE UNIQUENESS OF THE RELATIONSHIP WITH ASU AND THERE IS SOME KIND OF ENGAGEMENT WITH ASU WITH OUR PARTNERSHIP AND THERE IS PROBABLY A PARTICULAR ELEMENT HERE BUT THAT SAME ARGUMENT MIGHT BE MADE FOR OTHERS AS WELL.

I'M GOING TO GO AHEAD AND SUPPORT THE MOTION. I BELIEVE THE RELATIONSHIP IS A SOLID ONE AND I THINK THAT THE FACT THAT IT IS AT THE GOVERNOR'S REQUEST AS WELL, AND THE REQUEST HAS BEEN MADE BY ASU TO HAVE IT SUPPORTED I BELIEVE WE CAN GO AHEAD AND DO THAT. IF THERE IS NO FURTHER COMMENT, I THINK WE ARE READY TO VOTE. ALL THOSE IN FAVOR PLEASE INDICATE BY AYE, MOTION PASSES 6-1 WITH COUNCILMAN LITTLEFIELD OPPOSING.

THAT DOES COMPLETE ITEM NINE. WE WILL GO BACK NOW TO ITEM EIGHT WHICH WILL TAKE US I'M SURE FOR THE BALANCE OF THE MEETING.

ITEM 8: REVIEW PROPOSED FISCAL YEAR 2013/14 BUDGET BY DIVISION

[Time: 02:04:03]

OF COURSE ITEM 8 IS A REVIEW OF THE PROPOSED FISCAL YEAR 2013/2014 BUDGET BY DIVISION AND THE REQUEST HERE IS A PUBLIC HEARING AND DISCUSSION OF POSSIBLE COUNCIL DIRECTION TO STAFF AND DIVISION PRESENTATIONS REGARDING PROPOSED FISCAL 2013/14 BUDGET. ANY OF THE PRESENTATIONS THAT ARE NOT COMPLETED THIS EVENING, WE WILL CONTINUE TO THE APRIL 17TH MEETING WHICH WILL BE TOMORROW.

WE WILL START WITH ITEM 8A WHICH IS CITY OFFICIALS AND CHARTER OFFICE AND A PRESENTATION BY MR. SMITH.

City Treasurer David Smith: MR. MAYOR AND MEMBERS OF COUNCIL THANK YOU AGAIN FOR THE OPPORTUNITY TO ADDRESS YOU. I'M GOING TO SPEND JUST A FEW MINUTES TALKING ABOUT A SMALL PORTION OF THE SPENDING OF THE GENERAL FUND AND IT IS THAT WHICH IS DONE BY THE CITY OFFICIALS AND THE CHARTER OFFICERS. YOU CAN SEE ORGANIZATIONALLY THE GROUP THAT I'M GOING TO BE TALKING TO YOU TALKING ABOUT IS THE CITY ATTORNEY'S GROUP ON THE LEFT-HAND SIDE OF THIS ORGANIZATION CHART AND THE CITY AUDITORS, CITY CLERK, CITY MANAGERS, MYSELF, THE CITY TREASURER AND THE PRESIDING JUDGE, AND FOLLOWING MY PRESENTATION I THINK THE PRESIDING JUDGE WILL MAKE SOME OF HIS OWN COMMENTS BUT WE WILL GET TO THAT IN A MOMENT. THESE ARE THE SIX CHARTER OFFICERS THAT YOU HAVE REPORTING TO YOU, THE CITY COUNCIL, AND THIS IS ALSO OF COURSE THE BUDGET FOR THE CITY COUNCIL AS WELL. MOST OF THESE GROUPS ARE GROUPS THAT ONLY HAVE \$1 MILLION OR SO OF SPENDING. THAT IS CERTAINLY TRUE FOR THE CITY COUNCIL AND IT'S TRUE FOR THE CITY AUDITOR AND THE CITY CLERK AND EVEN THE CITY MANAGERS BUDGET WHICH IS JUST AN ADMINISTRATIVE BUDGET. THE LARGEST PIECES BOTH DOLLAR-WISE AND HEADCOUNT-WISE ARE WITH THE CITY ATTORNEY, MYSELF AND OF COURSE THE PRESIDING JUDGE MANAGING THE CITY COURTS.

[Time: 02:06:10]

IN TOTAL, THIS GROUP, YOURSELVES AND ALL THE CHARTER OFFICERS AND OUR ACTIVITIES EMPLOY 233 PEOPLE AND WE SPENT ABOUT \$32 MILLION AND VIRTUALLY EVERYTHING WE DO AND THAT'S BY THE WAY ALL FUNDS, MEANING SOME OF WHAT I SPEND IN MY DEPARTMENT IS FROM THE GENERAL FUND IN THE ENTERPRISE FUNDS AS WE COLLECT THEIR REMITTANCES AND SO ON, THAT'S TRUE OF ALL THE ORGANIZATIONS. BUT 233 PEOPLE, \$32,000,000, GOING TO FOLLOW THE SAME KIND OF PRESENTATION THAT YOU WILL SEE FOR ALMOST ALL THE OTHER DIVISIONS THROUGH THE CITY MANAGER. I SHOULD MENTION BACK HERE BEFORE YOU LEAVE THIS ORGANIZATIONAL CHART FOR ANYONE WATCHING THERE IS A WHOLE TON OF PEOPLE THAT REPORT TO THE TO THE CITY MANAGER AND YOU WILL SEE THOSE DIVISION PRESENTATIONS AND THE REST OF THE ORGANIZATIONAL CHART

AS YOU MARCH THROUGH THE REST OF THIS PRESENTATION. IT IS JUST NOT SHOWN ON HERE BECAUSE THAT IS NOT PART OF THIS PRESENTATION.

SO AS I SAID, YOU WILL SEE FROM EACH GROUP WHAT THEY REPRESENT IS THERE PROPORTIONATE SHARE OF WHAT WE CALL ALL FUNDS, CITYWIDE BUDGET. IT IS WHAT WE SPEND IN SUPPORTING ALL THE VARIOUS FUNDS. WE, CITY OFFICIALS AND THE CHARTER OFFICERS AND OF COURSE YOURSELF ACCOUNT FOR ABOUT 8% OF TOTAL CITY SPENDING. THE NUMBER OF PEOPLE AS I SAID IS 233 PEOPLE, A FULL-TIME EQUIVALENT, SAME NUMBERS LAST YEAR AND NO CHANGES THAT YOU SEE IN THE PROPOSED BUDGET. ON THE SPENDING SIDE WITH THE SAME NUMBER OF PEOPLE THAN UNDERSTANDABLY THERE'S NOT MUCH CHANGE IN THE PERSONNEL COSTS. THE ONLY CHANGE THAT WOULD BE OCCURRING IN THE PERSONNEL COST IS BECAUSE OF THOSE KINDS OF THINGS THAT THE CITY MANAGER MENTIONED, THE INCREASES IN HEALTH INSURANCE, AND PAYMENTS TO THE PENSION PLAN AND ALL OF THOSE COSTS INCLUDING THE CITY OFFICIALS. IN TOTAL YOU CAN SEE OUR SPENDING IS GOING UP BY ALMOST \$1 MILLION FROM YEAR TO YEAR, \$900,000. AND THERE ARE NOT TOO MANY MOVING PARTS TO EXPLAIN THAT DIFFERENCE AND MOST OF IT'S HAPPENING IN THE CONTRACTUAL AREAS CITY MANAGER TALKED ABOUT, THINGS THAT ARE MUST HAVES CERTAINLY ONE OF THE MUST HAVES THAT EMBEDDED IN THIS SPENDING PROGRAM IS THE COST OF RUNNING THE ELECTION IN NOVEMBER WHERE THE VOTERS ARE SIMPLY ASKED TO VOTE ON A BOND ISSUE AND PERHAPS A FRANCHISE TAX ISSUE. WE HAVE \$500,000 BUDGETED. WE ARE SPENDING ONE-TIME MONEY BUT IT'S THE SPENDING BY THIS GROUP AND SPECIFICALLY IN THAT CASE IT IS SPENDING OF THE CITY CLERK'S BUDGET. THE CITY MANAGER ALSO TALKED ABOUT A VARIETY OF INITIATIVES IN THIS YEAR'S BUDGET THAT HAD NO IMPACT. AN EXAMPLE OF THAT IS OCCURRING IN MY DEPARTMENT WHERE WE ARE ACTUALLY SPENDING MORE MONEY FOR BANKING SERVICES. WE ARE GOING TO PAY THE BANK FOR VARIOUS SERVICES IT PROVIDES. IN THE PAST WE HAVE USED COMPENSATING BALANCES AT THE BANK TO ACCOMMODATE THIS, NOW WE ARE GOING TO TAKE THE COMPENSATING BALANCES BUT THEM TO WORK IN THE CITY'S INVESTMENT PORTFOLIO. IT WON'T MAKE A WHOLE LOT OF DIFFERENCE BUT WE THINK IT'S A POSITIVE NUMBER. BUT THE CONSEQUENCE IS WE WILL SPEND MORE MONEY IN MY BUDGET AND WE WILL HAVE MORE REVENUE COMING INTO THE CITY. SO THAT'S AN EXAMPLE OF A NO IMPACT ITEM INCLUSION. AND THEN THERE ARE A VARIETY OF OTHER INITIATIVES INCLUDED IN HERE THAT ARE UNAVOIDABLE IF YOU WILL. INCREASE IN INSURANCE COSTS AND RISK MANAGEMENT PROGRAM AND I THINK SOME EXPENSES ASSOCIATED WITH THE SEARCH FOR THE NEW CITY MANAGER AND THINGS LIKE THAT. THAT MAY SEEM BRIEF BUT THAT'S ABOUT ALL THERE IS TO SAY ON THIS BUDGET. HEADCOUNT IS FLAT. SPENDING IS UP BY \$900,000, HOPEFULLY I HAVE EXPLAINED THE BIGGEST MOVING PARTS THERE AND UNLESS YOU HAVE SOME QUESTIONS, WE WILL GO ON TO SOME MEATIER ITEMS.

[Time: 02:10:46]

Mayor Lane: THANK YOU, MR. SMITH, AND THERE IS NO COMMENT ON THIS. WHAT I AM GOING TO ASK TO DO WITH THIS PARTICULAR ITEM RIGHT NOW, WHAT I'M GOING TO GO AHEAD AND DO IS IN THE ADVANCE WE DO HAVE A REQUEST TO SPEAK ON THE OVERALL ON THESE AREAS BUT THERE IS NO SPECIFIC DESIGNATION AS FAR AS I CAN TELL TO WHAT IT APPLIES TO. SO I'M GOING TO GO AHEAD AND I JUST HAVE THREE REQUESTS TO SPEAK. WE'LL GO AHEAD AND TAKE THE COMMENTS BEFORE WE PROCEED WITH THE OTHER AREAS.

David Smith: THAT'S FINE, WHEN WE COME BACK TO THIS AREA THE JUDGE WANTS TO MAKE SOME COMMENTS ON HIS DEPARTMENT IS EMBEDDED IN HERE YOU CAN STILL DO IT HOWEVER YOU WANT.

Mayor Lane: THEN WE CAN CONTINUE THIS ONE AT THAT POINT. THANK YOU, MR. SMITH AND JUDGE, WE WILL BE RIGHT BACK TO YOU. WE DO HAVE THREE REQUESTS TO SPEAK ON THIS AND AGAIN, NOT SPECIFIC OTHER THAN TO ITEM EIGHT SO I'M GOING TO GO AHEAD AND ASK BILL BANCHS FOLLOWED BY CARL REITER AND THEN JIM HILL.

PUBLIC COMMENT

[Time: 02:12:04]

Scottsdale Cultural Council President and CEO Bill Banchs: MAYOR LANE, MEMBERS OF THE CITY COUNCIL, I WANTED TO TAKE THREE MINUTES TO SPEAK TO YOU ABOUT THE IMPACT OF THE PENDING 3% INCREASE IN THE ANNUAL APPROPRIATION. 3% TRANSLATES INTO APPROXIMATELY \$124,000 ON THE \$4.2 MILLION ANNUAL CONTRACT. IN FISCAL YEAR 2012 BY WAY OF A REMINDER OUR BUDGET WAS CUT BY 5% WHICH IS ABOUT \$245,000 AND IN OUR CURRENT YEAR THE APPROPRIATIONS WERE LEFT AT THAT SAME REDUCED LEVEL. WHAT WE'RE PROPOSING IS TO INCREASE IT BY 3% FROM THE LOWER LEVEL WHERE IT IS RIGHT NOW. IN A MANNER VERY SIMILAR TO WHAT YOU HAVE ALREADY HEARD FROM VARIOUS CITY PRESENTATIONS, MANY OF OUR EXPENSES AT THE CULTURAL COUNCIL IS GOING UP INEVITABLY. THEY INCLUDE THE FACILITIES WHICH WE HAVE TO MAINTAIN IN TOP SHAPE AS PART OF OUR CONTRACTUAL OBLIGATION. PRIMARILY CUSTODIAL SERVICES AND CONTRACTED SERVICES HAVE INCREASED SIGNIFICANTLY TO THE AMOUNT OF \$43,000 THIS YEAR. I.T. INFRASTRUCTURE IS A MAJOR PART OF OUR ORGANIZATION. YOU ARE TALKING ABOUT FOUR WEBSITES, 100 OFFICES AND IN THESE WEBSITES WE NEED TO HAVE TICKETING CAPABILITY, CONTRIBUTING CAPABILITY, MEMBERSHIP MANAGEMENT CAPABILITIES. THESE INFRASTRUCTURES FOR MAINTAINING ALL OF THE I.T. SERVICES IS RIGHT NOW TWO FULL-TIME PEOPLE AND WE DESPERATELY NEED A THIRD PERSON JUST TO MANAGE THE FOUR WEBSITES IS SOMETHING THAT WE HAVE TO CONSIDER VERY SERIOUSLY THIS YEAR. THE INCREASE WOULD CERTAINLY SUPPORT THAT. MOVING ON, IN HUMAN RESOURCES WITH 100 OR SO FULL-TIME PEOPLE AND ANOTHER 50 PART-TIME PEOPLE, WE HAVE ONE PERSON MANAGING ALL THIS. BY WAY OF AN EXAMPLE, THAT PERSON HAD TO REVIEW 1000 RESUMES LAST YEAR. IN OUR SALARIES, WE HAVE NOT GIVEN OUR STAFF AT THE CULTURAL COUNCIL AN INCREASE IN FIVE YEARS EXCEPT FOR 2% THIS LAST YEAR. AND WE ARE LOOKING TO TRY TO DO AT LEAST THAT MUCH THIS COMING YEAR. A NICE STORY HAPPENED IN ONE OF MY CEO LUNCHES. THAT IS THAT PART-TIMERS ARE GETTING HARDER AND HARDER TO HIRE BECAUSE THEY ARE GETTING PAID BETTER IN OTHER POSITIONS. IF YOU LOOK AT PROGRAM CONSIDERATIONS WE ARE UP AGAINST SOME STIFF COMPETITION AND IT IS THE CITY APPROPRIATION TO HELPS US TO MAINTAIN TICKET PRICING AND FINALLY ARE FREE AND LOW-COST PROGRAMMING ARE ESSENTIAL TO THE WELL-BEING OF THIS ORGANIZATION AND TO THE SERVICES THAT PROVIDE THE CITY PRIMARILY IN SUPPORTING THE ECONOMY OF THE CITY OF SCOTTSDALE, IN PARTICULAR THE DOWNTOWN AREA.

I WOULD LIKE TO POINT OUT TO YOU THAT THIS IS EXTREMELY IMPORTANT FOR US. IN CLOSING I WOULD LIKE TO REMIND YOU THAT WE DID CUT OUR ENTIRE BUDGET BY 17%, I THOUGHT EARLIER 15% FOR THE CITY, 17% FIVE YEARS AGO AND WE ARE NOW GOING UP LITTLE BY LITTLE. OUR

AUDIENCES AND DONORS HAVE STEPPED UP TO INCREASE THEIR PARTICIPATION AND WE ARE HOPING THE CITY DOES SO ALSO. IN CLOSING, I JUST WANT TO THANK YOU. IT IS YOUR SUPPORT THAT ENABLES US TO MAINTAIN THE KIND OF SERVICES WE ARE PROVIDING THE CITY OF SCOTTSDALE, WORLD-CLASS ARTS AND CULTURE AND KNOWN FOR EXCELLENCE AND INNOVATION. THANK YOU FOR YOUR SUPPORT AND I RESPECTFULLY ASK YOU TO CONSIDER THIS INCREASE.

Mayor Lane: NEXT IS CARL REITER.

[Time: 02:15:57]

Carl Reiter: MAYOR LANE, COUNCILMAN, MY NAME IS CARL REITER, I'M THE EXECUTIVE DIRECTOR FOR THE SCOTTSDALE PHILHARMONIC AND I AM HERE IN SUPPORT OF WHAT JIM LANE WAS SAYING FOR THE SCOTTSDALE CENTER FOR THE ARTS. I WANTED TO BRING SOME THINGS TO YOUR ATTENTION THAT ARE HAPPENING THAT ARE NEW AND GOOD IN THE CITY OF SCOTTSDALE. THE SCOTTSDALE PHILHARMONIC NOW IS WRAPPING UP THE FIRST SEASON. OUR NEXT CONCERT IS ON APRIL 28TH. WE ARE BRINGING THESE LOW-COST PROGRAMS TO THE PUBLIC. ALL OF OUR CONCERTS ARE FREE OF CHARGE. WE HAVE SOME INTERNATIONALLY KNOWN ARTISTS PLAYING. OUR NEXT CONCERT HAS A VERY FAMOUS CELLIST THAT TOURS ALL AROUND THE WORLD AND WE OPEN UP OUR SEASON NEXT YEAR WITH DR. WALTER COSAND WHO IS ONE OF THE FINEST INTERPRETERS OF RACHMANINOFF IN THE WORLD DOING THE SECOND CONCERTO WITH US. STARTING THIS NEXT SEASON WE ARE BRINGING THE SCOTTSDALE YOUTH SYMPHONY UNDER THE SCOTTSDALE PHILHARMONIC BACK TO THE COMMUNITY AND WE ARE STARTING A SCOTTSDALE YOUTH PROGRAM WHICH WORKS WITH THE SCHOOLS. WE ARE CURRENTLY WORKING WITH SAGUARO HIGH SCHOOL NOW WITH THESE YOUNG PEOPLE IN THE AUDIENCES, SOME ARE HELPING USHERING IN DOING THINGS LIKE THIS IN THE COMMUNITY. SO THOSE ARE SOME VERY IMPORTANT THINGS AND MR. BANCHS AND I HAVE BEEN WORKING WITH THE SCOTTSDALE CULTURAL COUNCIL TO FORM A PARTNERSHIP BETWEEN OUR TWO ORGANIZATIONS AND THE PROPOSAL THAT HE HAS OFFERED IS TO ALLOW THE PHILHARMONIC FREE USE OF THE FACILITIES FOR OUR PROGRAMS. THIS YEAR WE HAD ANYWHERE BETWEEN \$4000 AND \$5000 PER CONCERTS CONSIDERING OUR SERVICES ARE FREE TO THE PUBLIC. WE ARE HOPING THAT THAT IS SOMETHING WE CAN BRING ABOUT BECAUSE IT WOULD BE A BENEFIT TO US IN THE COMMUNITY AND AGAIN IT DOES NOT COST US A GREAT DEAL OF MONEY AND WE ARE NOT COME BEFORE THE COUNCIL THINKING HEY.WOULD YOU GIVE US \$10,000 SO WE CAN GIVE \$10,000 FOR THE CENTER OF THE ARTS, THAT IS A REDUNDANT USE OF TIME AND MONEY. SO WE ARE HOPING THAT THIS IS SOMETHING THAT YOU ARE IN SUPPORT OF. I KNOW THAT YOU ARE INTERESTED IN THE YOUTH IN THE COMMUNITY AND YOU HAVE NOT HAD A PROFESSIONAL PHILHARMONIC. WE HAVE HAD 80 SOME PROFESSIONAL PEOPLE THAT WORK WITH THIS GROUP AND THESE ARE FULL-TIME PROFESSIONAL MUSICIANS. THIS IS NOT A STUDENT OR LOCAL TYPE ORCHESTRA. THANK YOU FOR YOUR TIME.

Mayor Lane: THANK YOU, MR. REITER. JIM HILL, WHO HAS DONATED TIME FROM CYNTHIA HILL WILL FOUR MINUTES DO FOR YOU?

[Time: 02:18:38]

President of Scottsdale Police Officers Association Jim Hill: GOOD EVENING MAYOR AND MEMBERS OF THE COUNCIL MY NAME IS JIM HILL. TONIGHT I'M HERE TO TALK ABOUT THE UPCOMING POLICE DEPARTMENT BUDGET AND WHAT IS PROPOSED IN THE OVERALL BUDGET. THE PROPOSED 2% PAY RAISE FOR ALL EMPLOYEES WILL NOT GET IT DONE FOR THE POLICE DEPARTMENT. NO MATTER HOW YOU SLICE IT UP, DICE IT UP AND DEAL IT OUT, 2% WILL COME NOWHERE CLOSE TO FIXING OUR RETENTION PROBLEMS. WE'RE IN A LOSING BATTLE WITH ATTRITION. YOU THINK OF THE OLD ROWBOAT ON THE LAKE, NORMALLY GET WE'RE ABLE TO BAIL IT OUT WITH THE BUCKETS WE BROUGHT WITH US. UNFORTUNATELY WE KEEP SPRINGING HOLES AND THE BUCKET IS NOT GETTING ANY BIGGER TO BAIL US OUT. WE ARE STILL ONLY ABLE TO GET 1% OF THE PEOPLE TO PASS THE TESTING AND BY NO MEANS AM I SAYING YOU SHOULD CHANGE OUR STANDARDS. WE WANT TO KEEP THE STANDARDS WE HAVE BUT IT'S TOUGHER TO FIND THOSE PEOPLE. EVEN WHEN WE DO HIRE THEM IT'S A CRAPSHOOT THAT THEY'RE GOING TO GET OUT OF THE ACADEMY AND IN TRAINING IN TIME. IT'S NOT EASY GETTING THROUGH THE ACADEMY. WE ARE IN A BATTLE HERE TO TRY TO SAVE THE SHIP. HOW BAD IS IT FOR COPS? WE HAVE 13 VACANT POSITIONS. WE JUST DON'T HAVE A BODY THERE. IF YOU COUNT VACANT DECISIONS, THOSE AREN'T SOME FORM OF TRAINING AND THOSE OF US THAT ARE ON LIGHT DUTY BECAUSE OF INJURIES, WE ARE MISSING 33 POLICEMEN. IN DISPATCH WE ARE MISSING ONE THIRD OF OUR DISPATCH FORCE BY EITHER VACANCIES, TRAINEES OCCUPYING THE POSITION AND NOW WE HAVE COPS AND POLICE AIDES WORKING OVERTIME IN ORDER TO PICK UP THE CALLS AND TO MAKE SURE THAT WHEN I CALLED THE RADIO FOR HELP SOMEONE CAN HEAR ME. THIS IS GOING TO HAVE AN EFFECT AND IT IS HAVING AN EFFECT ON SERVICES. ALREADY WE'RE SEEING OUR RESPONSE TIMES STARTED TO RISE. THERE'S LESS OF US, THE SAME OR MORE TO DO AND IT'S GOING TO TAKE LONGER. WE TALKED ABOUT THIS BEFORE AND WE EVEN DID A SURVEY TO SHOW PEOPLE WHO ARE CONSIDERING LEAVING THE POLICE DEPARTMENT. WE SURVEYED ALL LINE LEVELS THE POLICE DEPARTMENT. WE HAD 80% OF THE RESPONDENTS ANSWERED BACK TO US WE FOUND OUT IT 62% OF LINE LEVEL EMPLOYEES THE PAST YEAR HAVE CONSIDERED LEAVING THE POLICE DEPARTMENT. THAT'S HUGE. AND IF PEOPLE ARE THINKING ABOUT IT I KNOW RIGHT NOW MANY OF YOU KNOW THAT WE HAVE NINE SCOTTSDALE OFFICERS IN THE MESA LATERAL PROCESS. IF YOU LOOKED AT THE PAPER LATELY, MESA HAD A FLUFF PIECE ON ONE OF THEIR TRAINEES IN THE ACADEMY. IF YOU READ BETWEEN THE LINES, THEY HAD 10 OF 30 FAIL OUT OF THEIR ACADEMY, THEY HAVE TO HIRE 15 LATERALS RIGHT AWAY. WHAT A BONUS, OUR PEOPLE USE THE EXACT SAME REPORT WRITING SYSTEM SO IT COULD GET UGLY. IF NINE WALK OUT THE DOOR, THAT'S A \$2 MILLION HIT. NO ONE TO TRAIN, THE ONES WHO LEAVE, WE TRAIN THEIR REPLACEMENTS. WHY ARE THEY LEAVING, BECAUSE WE HAVE A DISPARITY IN SALARY. WHAT WE'VE ASKED IS FOR PEOPLE TO SEND US WHO THEY'RE IN THE ACADEMY WITH AND WHAT THE DISPARITY IS. SAME AMOUNT OF HOURS AND YEARS ON, A FIVE YEAR VETERAN IS MAKING OUR BASE STARTING SALARY TRAINING OFFICERS AND RECRUITS THAT DON'T EVEN KNOW WHERE THIS STUFF GOES IN THEIR GUN BELT.

[Time: 02:22:03]

AND THEY'RE MAKING THE SAME AMOUNT OF MONEY AND HE IS ACTUALLY MAKING LESS THAN THE TEMPE RECRUITS. A PERSON IN PHOENIX THAT GRADUATED WITH HIM IS MAKING \$14,000 MORE THAN HE IS. SOMEBODY FROM GILBERT IS MAKING \$8 THOUSAND DOLLARS MORE. IN TEMPE SOMEONE IS MAKING \$4,600 MORE. THEY TALK TO THEIR ACADEMY CLASSMATES AND THEY ARE NOT GOING TO STICK AROUND. WHEN WE ASK, HOW DO WE FIX THIS AND WE ARE TOLD THE CITY IS BROKE AND THERE IS NO MONEY AND THE OTHER POLICE DEPARTMENTS ARE NOT GIVING INCREASES.

WE KNOW BOTH OF THOSE ARE FALSE. REVENUES ARE UP WE'VE GOT RESERVES EVERYWHERE AND IT WILL TAKE ARMAGEDDON TO SHAKE IT LOOSE APPARENTLY. BUT WE DO HAVE THE MONEY. IT'S THERE AND WE SEE IT. AND WE ALSO HAVE DONE A SURVEY AND WE TALKED TO THE OTHER AGENCIES AND WE KNOW THEY ARE GIVING STEP INCREASES. WHAT WE ARE ASKING YOU, IF YOU TAKE A LOOK AT THE BUDGET AND FIND THE MONEY AND DO SOMETHING MEANINGFUL. YOU'VE TAKEN THE FIRST STEP IN YOU RAISED THE BOTTOM. YOU NEED TO FIX THE POLICE CRISIS, NOTHING HAS NEVER GOT DONE SO WHAT WE'RE GOING TO ASK IF WE ARE WORKING ON A TWO-YEAR PAY PLAN, A VERY SPECIFIC PLAN THAT WILL FIX WHAT'S WRONG AND STOP ATTRITION. WE HOPE THAT WHEN WE SEND THIS TO YOU YOU LOOK AT IT AND CONSIDERATE WHEN YOU DO YOUR BUDGET CONSIDERATIONS. THANK YOU.

Mayor Lane: THANK YOU, MR. HILL.

THAT DOES COMPLETE THE PUBLIC COMMENT THAT WAS SUBMITTED FOR ITEM EIGHT. PARDON THE INTERRUPTION, IF YOU WANT TO GO AHEAD AND PROCEED WITH THE REST OF THE PRESENTATION AND CHARTER OFFICERS.

[Time: 02:24:07]

Presiding Judge Joseph Olcavage: MR. MAYOR AND MEMBERS OF THE COUNCIL, THE COURT HAS ASKED YOU TO CONSIDER THE REQUEST THAT WE HAVE FOUR EXCEPTIONS THAT ARE NOT CURRENTLY IN THE PROPOSED BUDGET. ONE OF THEM IS TO START MOVING SOME OF THE POSITIONS WE HAVE, SALARY POSITIONS THAT ARE FUNDED OUT OF THE COURT ENHANCEMENT, BACK INTO THE GENERAL FUND AND TWO, TO INCREASE OUR BUDGET TO DEAL WITH THE DUI JURY TRIAL BACKLOG. THE COURT ENHANCEMENT FUND WAS ESTABLISHED IN 1993. THE PURPOSE WAS TO BE USED TO ENHANCE TECHNOLOGICAL OPERATION WITH THE COURT. THE INTENT OF THIS FUND IS TO HAVE THE COURT USERS TO PAY FOR PART OF THE SERVICES THAT WE PROVIDE TO THEM SUCH AS TECHNOLOGY AND CERTAINLY SECURITY. WE WANT TO HAVE A SAFE PLACE FOR THEM TO BE ABLE TO DO THEIR BUSINESS. INITIALLY THE FUND WAS \$10, AND THEN IT WAS UP TO \$15. THE \$15 IS ASSESSED TO ANYBODY WHO PLEADS GUILTY OR RESPONDS GUILTY AND THAT IS PUT INTO THE FUND FOR THE COURT USE. ADDITIONALLY, EVERY TYPE OF FINE OR ASSESSMENT WE HAVE THERE IS A SURCHARGE FROM THE STATE AND IN THIS PARTICULAR CASE IT'S 83%. AN ADDITIONAL \$12.60 IS ADDED ON TOP OF THAT SO THEY'RE PAYING \$27.60. THAT GOES TO THE SUPREME COURT AND IS USED FOR A VARIETY OF FUNDS FOR THEM. SOME OF THE PROJECTS THAT WE HAVE USED ACCORDING TO THE ENHANCEMENT FUND OVER THE TIME, SOME OF THE CONSTRUCTION PROJECTS, THE LOBBY OF PUBLIC WORKS PROJECTS, AT ONE TIME THE JUSTICE COURT USE PART OF THE BUILDING, AND WHEN THEY MOVED OUT WE HELPED REMODEL THE COURT. COURTROOM FIVE IN THE EXPANSION WAS BUILT WITH THAT AND OF COURSE OUR NEW SECURITY AREA THAT WAS USED TO UPGRADE OUR SECURITY AND MAKE THE LOBBY A LITTLE LARGER SO PEOPLE CAN MOVE AROUND A LITTLE BETTER AND FOR THE FOR THE PATRONS. WE USED THE FUND FOR THAT. ELECTRONIC DOCUMENT MANAGEMENT WE HAD SCANNERS PUT IN, DIGITAL RECORDINGS IN THE COURTROOM AND OUR LATEST BUDGET IS THE LOBBY QUEUING SYSTEM WHERE THE NUMBERS WERE GIVEN IN ENGLISH AS WELL AS SPANISH. FOR OVER A DECADE WE HAVE USED THAT FUND TO PAY FOR SECURITY, WE PAID THE COURT SCREENERS AND THE SALARY AND BENEFITS WITH THE COURT SECURITY GUARDS.

SEVERAL YEARS AGO AS PART OF THE BUDGET PROCESS AND TO HELP THE GENERAL FUND, 9.5 POSITIONS WERE MOVED INTO THE ENHANCEMENT FUND WITH THE UNDERSTANDING THAT WITHIN 1 YEAR OR TWO WE WOULD BE ABLE TO MOVE THEM BACK. TO DATE NONE OF THOSE POSITIONS HAVE BEEN MOVED BACK, ALTHOUGH HALF A POSITION, WHICH IS A HALF COURT INTERPRETER WE NO LONGER HAVE IN OUR BUDGET. DURING THIS PERIOD OF TIME ON AVERAGE WE HAVE SPENT \$293,000 MORE THAN WE BROUGHT IN FROM THAT PARTICULAR FUND. AT THE START OF THIS FISCAL YEAR, FISCAL YEAR, 2012 AND 2013 WE HAD \$2.6 MILLION DOLLARS IN THAT FUND.

WHAT THE COURT IS REQUESTING IS TO START MOVING THOSE POSITIONS BACK AND I'M NOT ASKING THAT ALL NINE POSITIONS MOVE BACK. AND LOOKING OVER THE PURPOSE OF THE ENHANCEMENT FUND IT TALKS ABOUT SECURITY IN TECHNOLOGY. WE HAVE A DEDICATED I.T. DEPARTMENT IN OUR COURT AND CERTAINLY THAT IS FOR THE BENEFIT OF THE COURT USERS SO I'M NOT ASKING ANY LONGER THAT THOSE INDIVIDUALS BE PUT BACK IN THE GENERAL FUND. WE ARE CURRENTLY PAYING A CITY CONTRACT FOR CITY SCREENER'S AND WE PAID \$140,000 FOR SALARY AND BENEFITS FOR COURT SECURITY PEOPLE AND WE INTEND TO KEEP THE I.T. DEPARTMENTS WITH SALARY IS \$267,000. HOWEVER WE ARE REQUESTING THAT STARTING THIS YEAR THEN FOR THE NEXT TWO BUDGET YEARS WE BE ALLOWED TO MOVE TWO OF THOSE POSITIONS EACH YEAR BACK INTO THE GENERAL FUND. THIS PARTICULAR YEAR THAT WOULD BE AN INCREASE OF \$194,974. NOW WHILE WE ARE ASKING FOR AN INCREASE WE WILL TALK ABOUT THESE TWO PROJECTS, THE COURT ENHANCEMENT FEE AND JURY TRIAL BACKLOG I WANT TO POINT OUT THAT THE COURT HAS ENTERED INTO SEVERAL INITIATIVES WITH THE POLICE DEPARTMENT AND THE CITY ATTORNEY'S OFFICE TO TRY TO REDUCE JAIL COURT SPENDING.

[Time: 02:28:24]

OUR MOST RECENT INITIATIVE STARTED IN MARCH OF 2012 AND THAT WAS FOR JAIL COURT EXPANSION AND WHAT WE DO THERE. FOR PERSONS PICKED UP ON A WARRANT AND A NEW ARREST THEY ARE REQUIRED TO SEE A JUDGE WITHIN 24 HOURS. WHEN WE SEE THESE PEOPLE, IF THEY ARE A RISK TO RETURN TO COURT OR IF A PROPOSED A DANGER TO THE PUBLIC OR A VICTIM, MORE OFTEN THAN NOT THEY ARE REQUIRED TO POST A BOND. HISTORICALLY ABOUT HALF OF THOSE PEOPLE ARE ABLE TO POST THE BOND AND HALF ARE NOT. ALSO HISTORICALLY IT IS ABOUT FIVE DAYS BEFORE WE GET THEM BACK IN THE COURT. THAT MEANS FOR FIVE DAYS WE'RE PAYING JAIL FEES. STARTING IN MARCH WE EXTENDED THE HOURS OF JAIL COURT AND PROSECUTORS ARE NOW COMING OVER AND IF THERE IS A WARRANT ARREST THEY ARE TRYING TO DEAL WITH THE CASE RIGHT THEN AND THERE. IF IT'S A NEW ARREST THE PROSECUTORS AND THEIR OFFICER ARE TRYING TO CONTACT VICTIMS BECAUSE UNDER THE VICTIMS RIGHT AT THE VICTIMS HAVE TO HAVE INPUT. THEY'VE BEEN RATHER SUCCESSFUL WITH VICTIM IMPACT AND ONCE THAT'S DONE WE CAN TRY TO RESOLVE THESE CASES. ALSO DURING THIS TIME THERE'S A SLIGHT INCREASE TO THE COURT BECAUSE DURING MONDAY THROUGH FRIDAY THE REGULAR JUDGES HANDLE BOTH THEIR CALENDAR AND THE JAIL COURT CALENDAR. THE OVERTIME FOR COURT STAFF IS ABOUT \$10,000 THAT WE'VE BEEN ABLE TO ABSORB INTO THE BUDGET. THERE IS VIRTUALLY NO INCREASE BECAUSE THE WAY WE ARE CALENDARING THIS INCREASE FOR PRO TEM COSTS SO THAT IS ZERO INCREASE THERE. HOWEVER WE FIGURE WE'RE GOING TO BE ABLE TO SAVE ABOUT \$400,000 A YEAR USING THIS PROJECT THAT WE USED TO PAY TO THE COUNTY AND JAIL FEES BECAUSE WE ARE ABLE TO GET RID OF THESE PEOPLE AND NEGOTIATE THE CASE TODAY BECAUSE WE HAVE MORE INFORMATION AND MANY OTHER PEOPLE DON'T HAVE TO

BE HELD ON BOND SO CASES CAN BE RESOLVED. I THINK MOST OF THE COUNCIL KNOWS ABOUT THE HOME DETENTION PROGRAM THAT IS BEEN IN PLACE FOR SEVERAL YEARS WHERE INSTEAD OF SPENDING ALL THEIR TIME ON A DUI IN JAIL PART OF THAT TIME CAN BE HOME DETENTION AND THAT SAVES ABOUT \$1 MILLION A YEAR.

[Time: 02:30:31]

MOVING ON TO OUR SECOND REQUEST, WE CURRENTLY HAVE 200 DUI CASES AWAITING JURY TRIAL. ABOUT 95% OF ALL CASES THAT GO TO JURY TRIAL ARE DUI'S BECAUSE THERE ARE VERY FEW ASK FOR JURY TRIAL. SOME THEFT CASES AND RECKLESS DRIVING CASES ARE ELIGIBLE. HOWEVER, THE AVERAGE ONE THESE TRIALS IS A DAY A HALF AND SOME OF THESE TRIALS DEPENDING ON WITNESSES AND EXPERTS CAN TAKE UP TO THREE DAYS TO TRY. IN 2007, IF I LOOK AT THE SUPREME COURT STATISTICS ON FILING AND SHOW YOU HOW THE DUI FILINGS HAVE INCREASED OVER THE YEARS, 5596 CHARGES WERE FILED IN SCOTTSDALE, FIVE YEARS LATER THERE WERE OVER 7000. LET ME POINT OUT SO YOU POINT OUT THAT THAT CHARGE IS NOT A CASE. IN OTHER WORDS YOU CAN BE CHARGED WITH DRIVING UNDER THE INFLUENCE AND THAT'S THAT THE ONLY CHARGE YOU HAVE THAT'S ONE CASE. THAT SAME PERSON CAN BE CHARGED WITH DRIVING UNDER THE INFLUENCE AND HAVE A BLOOD ALCOHOL ABOVE A .8, A ONE FIVE AND A TWO OH. THAT'S FOUR CHARGES BUT IT'S ONE CASE. THIS SHOWS THE INCREASE. I DID LOOK THIS WEEK AT THE STATISTICS FOR 2012 FOR THE GOVERNOR'S OFFICE OF HIGHWAY SAFETY BECAUSE THEY DON'T GO BACK AS FAR AS THE SUPREME COURT. WHILE IN TERMS OF FILING DUI'S WE'RE THE SECOND HIGHEST IN THE STATE AFTER THE CITY OF PHOENIX, IN TERMS OF CHARGES WE ARE THIRD AFTER PHOENIX AND MESA AND WE ARE AVERAGING RIGHT NOW ABOUT 2600 PEOPLE PER YEAR. A LITTLE OVER THAT CHARGE OF DUI IN THE CITY OF SCOTTSDALE. NOW OF THE CASES SET FOR JURY, LET ME POINT OUT THAT MOST OF THESE ARE NOT GOING TO GO TO JURY TRIAL. MOST PEOPLE TRY TO DELAY THE INEVITABLE AS LONG AS POSSIBLE. THE PENALTIES ARE SEVERE, THE FINES CAN GO INTO THE THOUSANDS OF DOLLARS AND UNTIL THEIR DAY IN COURT, THEY DON'T HAVE TO MAKE A DECISION THAT THE MORE WE HAVE TO TRY JURY TRIALS, THESE DON'T HAVE TO MAKE A DECISION. WE HAVE TWO PROGRAMS WE STARTED THIS YEAR IN OCTOBER TO TRY AND REDUCE THE AMOUNT OF JURY TRIALS AND CASES JUST WAITING TO GO TO JURY TRIAL. ALTHOUGH A SMALL PERCENTAGE OF THEM ACTUALLY WILL. WE OPEN UP MORE DAYS IN THE COURTROOM FOR JURIES WHICH THE MATTERS THAT WERE SET THAT THEY HAD TO BE MOVED TO OTHER CALENDARS AND WE EXPERIMENTED BY OPENING COURTROOM FIVE WITH THE PRO TEM JUDGE TO TRY CASES THERE. IN OTHER WORDS, IF YOU HAVE ONE COURT ROOM AVAILABLE FOR TRIAL, THE OTHER FOUR WILL BE CONTINUED. IF YOU HAVE A SECOND COURTROOM LIKE WE WERE DOING, THE FIRST CASE WANTS TO GO TO TRIAL, THE SECOND CASE IS READY FOR TRIAL WELL, THEY DECIDED THERE GOING TO ENTER A PLEA, AND THEN MAYBE THE FOURTH CASE SO MAYBE THE FIFTH CASE IS NOW READY TO GO TO TRIAL. INSTEAD OF RESOLVING ONE CASE THAT DAY WE RESOLVED FIVE CASES. IT CERTAINLY HELPS US AND IT'S BENEFICIAL IF WE HAVE ANOTHER PLACE TO TRY THOSE CASES.

[Time: 02:33:35]

WHAT THE COURT IS REQUESTING IS WHAT WOULD LIKE TO DO STARTING JULY 1ST IS OPEN UP COURT ROOM FIVE WITH THE PRO TEM JUDGE TO TRY CASES MONDAY THROUGH THURSDAY. MONDAY AND TUESDAY FOR ONE TRIAL, WEDNESDAY AND THURSDAY FOR THE OTHER. THAT'S ON AN AS NEEDED

BASIS. AS I TOLD YOU I DON'T IMAGINE RUNNING FULL-TIME WITH THIS BECAUSE MOST OF THE CASES WILL GO TO PLEA. IF THEY WANT A TRIAL WE WILL HAVE THE ABILITY TO RESOLVE THAT CASE. SO WHAT THE COURT IS ASKING FOR IS AN INCREASE OF \$38,000 TO COVER JURY COSTS AND \$42,845 IN ORDER TO PAY THE PRO TEM JUDGES FOR TOTAL OF \$80,845. FOR THE TWO REQUESTS THAT WE ARE MAKING ALTOGETHER INCLUDING TWO POSITIONS OUT OF THE COURT ENHANCEMENT FUND AND INCREASING OUR BUDGET IN ORDER TO RESOLVE SOME OF THESE JURY CASES, THE TOTAL IS \$275,819. THANK YOU FOR YOUR TIME AND I WOULD BE HAPPY TO ANSWER ANY QUESTIONS.

Mayor Lane: WE DO HAVE A QUESTION OR COMMENT FROM COUNCILMAN ROBBINS.

Councilman Robbins: THANK YOU MAYOR AND THANK YOU JUDGE FOR THAT. LET'S GO BACK TO THE BEGINNING AND LET ME TALK A LITTLE BIT ABOUT THE COURT ENHANCEMENT FUND. I THINK THIS WAS RAISED WHEN WE WERE GOING THROUGH THE BOND PROPOSAL. ONE OF THE REASONS WHY SOME OF US THOUGHT IT WAS A GOOD IDEA TO TAKE OFF THE COURT EXPANSION WAS BECAUSE WE HAVE THIS FUND THAT WAS ON TAP FOR THOSE KINDS OF THINGS SO TALKING ABOUT NOT MOVING PEOPLE OUT OF THIS BACK TO THE GENERAL FUND, I THINK MAYBE SOMETHING WE COULD TALK ABOUT LATER BECAUSE I SEE THIS AS BEING SOMETHING THAT CAN BE USED TO EXPAND THE COURT IN THE FUTURE YEARS AND IF WE HAVE PEOPLE , FTES STUCK IN THERE, WE'RE WE ARE NOT GOING TO BE ABLE TO DO THAT. I SEE WHAT YOU'RE TRYING TO DO AND YOU'RE BEING CONSERVATIVE IN HOW MUCH COMES BACK TO THE GENERAL FUND. IF YOU HAVE NINE POSITIONS THAT THE CITY USED TO FUND OUT OF THE GENERAL FUND BUT THEY ARE NOW IN THIS, WE CAN'T USE THIS FOR WHAT IT'S INTENDED FOR, FOR OTHER USES SO I THINK MAYBE WE CAN RE-THINK THAT IN FUTURE YEARS. LET ME HEAR WHAT YOU HAVE TO SAY ABOUT THAT AS FAR AS THE ACTUAL USE FOR THAT COURT ENHANCEMENT FUND. WAS IT INTENDED TO HAVE FTES OR WAS IT INTENDED MORE FOR CAPITAL.

[Time: 02:35:55]

Judge Olcavage: IT WAS NOT INTENDED, WITH A COUPLE OF EXCEPTIONS TO HAVE FTES IN THERE. SECURITY IS ALWAYS INTENDED TO BE THERE. WE WANT TO SECURE THE PEOPLE THAT ARE USING THE COURT BECAUSE IT IS A DANGEROUS PLACE. IN EVALUATING WHAT WE HAVE IN THEIR RIGHT NOW, OBVIOUSLY PART OF THE MAIN PURPOSE OF THAT FUND IS TECHNOLOGY AND THAT IS USED TO BETTER COMMUNICATE AND PROVIDE PEOPLE WITH INFORMATION AT THE COURT. SO I DON'T HAVE A PROBLEM WITH THE I.T. DEPARTMENT BEING IN THERE TOO BECAUSE THAT SEEMS TO BE PART OF THE PURPOSE OF IT. BUT CERTAINLY OTHER THE POSITIONS WERE NOT MEANT TO BE FUNDED BY THE ENHANCEMENT FUND, THEY WERE MEANT TO BE FUNDED BY THE GENERAL FUND.

Councilman Robbins: LET ME ASK THIS. WHAT IS THE BUDGET? HOW MUCH MONEY GOES INTO THAT OR COMES FROM THE COURT ENHANCEMENT FUND ANNUALLY?

Judge Olcavage: CURRENTLY OUR REVENUES ARE LITTLE OVER \$800,000.

Councilman Robbins: AND YOU SAID THAT THE \$20 FEE THAT'S TACKED ON PLUS THE 83% THE GOES TO THE STATE.

Judge Olcavage: IT'S \$15.

[Time: 02:37:03]

Councilman Robbins: I'M JUST THINKING TO TRY TO ENHANCE THAT, IS THAT A SUFFICIENT AMOUNT? AND I KNOW IT BECOMES A GAME OF DIMINISHING RETURNS. I'M WONDERING WHAT YOUR REPAYMENT RATE IS IF YOU'RE COLLECTING ALL THE FEES THAT YOU ARE ASSESSING. HOW GOOD ARE WE AT COLLECTING THOSE FEES?

Judge Olcavage: I WILL ASK OUR FINANCE PEOPLE IF THEY KNOW THAT THE ANSWER. I DO NOT KNOW.

Councilman Robbins: THAT MIGHT BE A WAY TO IMPROVE THE PERFORMANCE OF THE FUND IN FUTURE YEARS AS WELL. PEOPLE WHO ARE USING THE SYSTEM SHOULD BE PAYING FOR THE SYSTEM.

Judge Olcavage: CORRECT. MR. MILLER, DO YOU HAVE AN ANSWER TO THAT QUESTION?

Senior Management Analyst Jack Miller: WE COLLECT ABOUT 60% TO 65% OF WHAT WE BILL EFFECTIVELY.

Councilman Robbins: AND SO THE BALANCE JUST, PEOPLE FILED BANKRUPTCIES, SKIPPED TOWN AND THAT KIND OF THING.

Jack Miller: CORRECT. THE SUPREME COURT DOES NOT ALLOW US TO WRITE IT OFF. THE BALANCE IS LARGE BUT COMPARED TO OTHER CITIES IT IS STILL WITHIN WHAT OTHER CITIES NORMALLY HAVE.

Councilman Robbins: AND OTHER CITIES HAVE THIS TYPE OF MECHANISM AS WELL? IS OUR FEE IN LINE WITH WHAT OTHER CITIES ARE DOING OR IS \$15 LOW?

Jack Miller: IT'S ON AVERAGE.

Councilman Robbins: ANYWAY, THOSE ARE MY THOUGHTS ABOUT YOUR PROPOSALS BUT OBVIOUSLY WE NEED TO DEAL WITH THE DUI BACKLOG. WE CAN'T HAVE THAT, 200 CASES SITTING OUT THERE. THAT'S TOO MUCH AND YOU'RE RIGHT. IN ORDER TO SPEED THOSE ALONG WE HAVE TO ACT LIKE WE ARE SERIOUS ABOUT PROSECUTING THOSE CASES AND MAKE SURE THAT HAPPENS. THANK YOU, MAYOR.

[Time: 02:39:00]

Mayor Lane: THANK YOU, COUNCILMAN. OBVIOUSLY THIS IS ONE OF THE ISSUES THAT WE DID DEAL WITH JUST AS COUNCILMAN ROBBINS MENTIONED. RIGHT NOW I UNDERSTAND THERE'S ABOUT \$2.3 MILLION IN THAT ACCOUNT? WE ARE DRAWING IT DOWN SOMEWHERE IN THE AREA OF \$4.3 MILLION AND WE'VE BEEN DRAWING IT DOWN TO \$1.2 MILLION A YEAR. THOSE ARE JUST NUMBERS THAT I REMEMBER FROM THE CONVERSATIONS THAT ENSUED ABOUT THIS BEFORE. IF WE ARE AT THAT KIND OF DRAW RATE IN ANY CASE EVEN THE REMOVAL OF SIX FTES, IF I JUST USE THE ROUGH NUMBERS THAT YOU'VE GIVEN TO US HERE OF ABOUT \$200,000 FOR EACH TWO, EACH PAIR, WE ARE TALKING

ABOUT DRAWING BACK DOWN AND THAT CREATES ABOUT \$600,000. THE INPUT RATE ON THIS ACCOUNT IS AS YOU JUST INDICATED \$800,000 AND CHANGE. THE IDEA WAS THAT IF WE REINSTITUTED THAT WE WOULD BE ABLE TO FUND THOSE NECESSARY COMPONENTS ON THE ENHANCEMENT OF THE COURT SYSTEM. I THINK THERE IS PROBABLY TIME ON THIS ONE. OVER THE COURSE OF TIME TO GET THESE FTES THAT SHOULD BE ON THE GENERAL FUND RATHER THAN IN THE COURT ENHANCEMENT FUND. I DON'T KNOW WHETHER IT NEEDS TO BE ADDRESSED NOW. BUT AT THE SAME TIME THE FACT THAT WE ARE DRAWING DOWN THAT FUND, CAN I GET A CONFIRMATION? IS THERE APPROXIMATELY \$2.3 MILLION? I SEE \$2.36 MILLION FUND BALANCE BEGINNING 2012 /13, SO IS THAT NOW REDUCED BY SOME AMOUNT OF MONEY? ARE WE DOWN TO A MUCH LESSER AMOUNT? YES.

Jack Miller: MAYOR, YES. THROUGH MARCH 2013, WE ARE AT \$2.2 MILLION SO WE ARE USING IT.

[Time: 02:41:05]

Mayor Lane: SO FUNDS ARE COMING INTO IT OBVIOUSLY \$1.2 COMING OUT OF THE \$2.3. THERE IS A BIT OF TIME HERE. IT'S NOT LIKE THE FUND IS GOING TO BE EXHAUSTED EVEN AT THE RATE OF WITHDRAWAL ON THE BASIS OF THESE FTES RIGHT NOW. WE PROJECTED IT WOULD BE ABOUT 2018, 2019 IF WE CONTINUE AT THE SAME RATE. SO IN THE MEANTIME TRYING TO REMOVE AND WE MAY EVEN HAS SOME ELEVATION AND INCREASE IN THE AMOUNT OF REVENUE STREAM THAT'S BEEN DEVELOPED HERE TOO. I THINK WE HAVE SOME TIME TO FIX THIS BUT I AGREE WITH COUNCILMAN ROBBINS THAT THE OTHER ISSUE I THINK IS FRANKLY A BIT MORE IMPORTANT TO US AND MAYBE EVEN MORE IMMEDIATE FROM THE STANDPOINT OF DUE PROCESS AND TIMELINESS OF JUSTICE, IF YOU WILL ON A NUMBER OF THESE. SO WHEN WE SAID THE INCREASE TO GENERAL FUND OF \$275,000 IS THAT INCLUSIVE OF ALL COMPONENTS THAT YOU WENT THROUGH, JUDGE OR IS THAT JUST WHAT WE'RE LOOKING AT THERE TO ADDRESS THE DUI BACKLOG.

Judge Olcavage: MR. MAYOR AND MEMBERS OF THE COUNCIL THAT IS FOR BOTH PROPOSALS. THE REQUEST FOR THE JURY BACKLOG WOULD BE \$80,845, AND \$194 AND CHANGE FOR THE ENHANCEMENT FUND.

Mayor Lane: FOR THE FTES THAT WE ARE LOOKING TO SHIFT?

Judge Olcavage: SO WE'RE TALKING ABOUT \$80,845 TO HELP US REDUCE THE JURY BACKLOG.

Mayor Lane: PERSONALLY, I WOULD RECOMMEND THAT WE FIND \$80,000 AND I THINK WE CAN TAKE SOME TIME ON REMEDY AND FIXING THE SITUATION THAT HAS TAKEN YEARS TO DEVELOP TO REVERSE THAT PROCESS ON THE FTES. I DON'T KNOW EXACTLY THIS POINT IN TIME WHETHER THAT'S FROM THE STANDPOINT, I DON'T KNOW WHETHER THERE'S AGREEMENT OR WHETHER WE NEED TO MAKE A MOTION ON THAT BUT I THINK IT'S SOMETHING THAT WE SHOULD BE CONSIDERING. YES, COUNCILWOMAN KORTE.

[Time: 02:43:06]

Councilmember Korte: THANK YOU, MAYOR. JUDGE, LOOKING BACK AT THE BOND PROPOSAL FOR WHICH THIS PARTICULAR PROJECT WAS REMOVED, IT WAS A CORPORATE MODEL EXPANSION. IT WAS \$4.5 MILLION ON THAT BOND PROJECT, AM I CORRECT?

Judge Olcavage: I BELIEVE SO. IT WAS FOUR-POINT SOMETHING, I REMEMBER THAT.

Councilmember Korte: CAN YOU TELL ME WHAT THAT REMODEL EXPANSION WOULD'VE ACCOMPLISHED IF IT HAD BEEN INCLUDED IN THE BOND PROPOSAL AND OF COURSE VOTERS APPROVED THE BOND ISSUES.

Judge Olcavage: COUNCILWOMAN , IT WAS TWO PARTS. NUMBER ONE WAS TO REMODEL THE COURT TO MAKE IT MORE FUNCTIONAL. AS I INDICATED WHEN I STARTED, WHEN THIS COURT WAS BUILT THERE WAS A TWO COURT SYSTEM. HALF OF OF IT WAS A CITY COURT AND HALF OF IT WAS A COUNTY COURT. IF YOU HAVE BEEN IN THE QUARTERS, THIS A CORRIDOR DOWN THE MIDDLE THAT SPLITS OUR COURT INTO HALF WHICH WAS FUNCTIONAL WHEN IT WAS A TWO SYSTEM COURT BUT LESS SO IF YOU HAVE THE SAME COURT IN THE BUILDING. SOME PART OF IT WAS TO BE REMODELED AND MAKE IT MORE FUNCTIONAL. THE OTHER WAS TO LOOK AT THE INCREASES THAT WERE PROJECTED DUE TO THE STUDY AND IN THE FUTURE OUR CASELOAD AND PREPARE TO HANDLE THOSE BY EXPANDING BY BUILDING A TWO OR THREE STORY BUILDING BEHIND OUR BUILDING CONNECTED TO IT FOR FUTURE EXPANSION TO HANDLE THE CASELOAD DOWN THE ROAD.

Councilmember Korte: THANK YOU. I GUESS HINDSIGHT IS ALWAYS 20-20. IT SEEMS TO ME WE WOULD'VE SERVED THE COURT AND THE CITIZENS WELL IF WE HAD INCLUDED THAT IN THE BOND BUT WE DID NOT. I'M NOT SURE IF THIS CAN BE PUT OFF. I WOULD LIKE SOME GREATER CONSIDERATION AROUND YOUR PROPOSAL WHICH I THINK IS CONSERVATIVE. I THINK WE NEED TO ADDRESS THE DUI BACKLOG. I THINK WE NEED TO ADDRESS THE OTHER ISSUES THAT YOU BROUGHT FORWARD. I'M NOT SURE WHERE THIS GOES FROM HERE BUT I JUST WANTED TO PLACE THAT ON THE RECORD.

Mayor Lane: THANK YOU, COUNCILWOMAN. THERE MAY BE TWO ITEMS ON THE DECK RIGHT NOW. I HAVE NOT HEARD ANY DISAGREEMENT WITH REGARD TO ADDRESSING THE DUI BACKLOG WITH THE PRO TEMS AND USING THE EXISTING COURT ROOMS AS YOU HAVE JUST OUTLINED TO THE TUNE OF \$80,000. THE OTHER IS I STILL BELIEVE THAT IS SOMETHING THAT CAN BE AND WILL BE WORKED ON. WE HAVE A HEAVY REVENUE STREAM THAT IS BEING GENERATED IN THE COURT ENHANCEMENT FUND. RIGHT NOW THINK ALLOCATED TO THE FTES THAT WE CAN TURN AROUND. THE ENTIRE COST OF THE PROJECTS THAT WE ARE TALKING ABOUT, THE DEBT SERVICE TO SUPPORT THAT, WOULD ONLY BE SOMEWHERE IN THE AREA OF \$400,000. SO AS THAT FUND INCREASES AND IS REFUNDED BACK, THE PROJECTS WE'RE TALKING ABOUT CAN EASILY BE ACCOMMODATED WITHIN IT AND ITS REVENUE STREAM. I DON'T KNOW IF WE'VE GOT AND I DON'T KNOW IF WE NEED TO TAKE A MOTION BECAUSE THESE ARE NOT ACTION ITEMS OR WHETHER WE ARE TALKING ABOUT THE KIND OF DIRECTION WE WOULD LIKE TO SEE IN ANY KIND OF CHANGES. I WILL GO BACK TO COUNCILMAN ROBBINS.

[Time: 02:46:39]

Councilman Robbins: MAYOR, JUST TO CLARIFY A LITTLE BIT. I SUPPORT THE BACKLOG ISSUE AND GETTING THAT RESOLVED THIS YEAR. I THINK MAYBE WE CAN ASK THE CITY MANAGER TO PUT

TOGETHER A PLAN TO ADDRESS THE COURT ENHANCEMENT FUND OVER THE NEXT SEVERAL YEARS AND HOW WE MOVE THE FTES OUT SO WE CAN FREE UP SPACE TO DO OTHER THINGS, AND MAYBE DO A REMODEL AND EXPANSION IN FUTURE YEARS AND FUNDED PARTLY OUT OF THAT. THAT COULD BE DONE IN THE FOLLOWING BUDGETS.

Mayor Lane: THANK YOU. COUNCILMAN LITTLEFIELD?

Councilman Littlefield: OKAY, JUST TO MAKE CLEAR, THE SUMMATION OF YOUR PRESENTATION IS THE TOTAL IMPACT OF THE GENERAL FUND OF WHAT YOU'RE ASKING FOR IS \$275,819?

Judge Olcavage: COUNCILMAN LITTLEFIELD THAT IS THE COMBINATION OF THE TWO POSITIONS IN THE COURT ENHANCEMENT FUND AND THE JURY BACKLOG. YES SIR.

Councilman Littlefield: FROM OUR POINT OF VIEW THAT'S \$275,819 AND THAT'S NOT ACCOUNTED FOR IN THE CURRENT BUDGET, IS THAT CORRECT?

[Time: 02:47:45]

Acting City Manager Dan Worth: COUNCILMAN LITTLEFIELD, THAT'S CORRECT.

Councilman Littlefield: IT'S NOT INCLUDED RIGHT NOW. SO THAT \$275,819 HAS TO COME FROM SOMEWHERE ELSE THEN, EVEN IF WE LOVE IT? WE'RE GOING TO CUT \$275,819 SOMEWHERE ELSE OR, RIGHT?

Dan Worth: COUNCILMAN LITTLEFIELD, IT WOULD HAVE TO COME FROM SOMEWHERE ELSE. WE WOULD HAVE TO DETERMINE THAT WE HAVE THE REVENUE FROM SOMEWHERE ELSE. I WOULD SUGGEST TWO THINGS. FIRST I THINK THERE'S GOING TO BE A LOT OF DISCUSSION ABOUT POTENTIAL THINGS THAT WE WANT, WE MAY WANT TO ADD BACK IN. TO THE MAYOR'S PART WE ARE TAKING COPIOUS NOTES AND THAT AT THE END OF THE PROCESS IT WILL BE INCUMBENT ON US TO PUT TOGETHER SOME ALTERNATIVE PROPOSALS TO BRING BACK FOR THE DISCUSSION AND THE DETERMINATION AND AT THIS POINT IS TO WHAT'S IMPORTANT AND WHAT'S NOT SO IMPORTANT TO ADD BACK IN. THAT DISCUSSION WILL BE RECOMMENDATIONS OF THE REVENUE AND JUST AS AN EXAMPLE, THE JUDGE AND I HAVE DISCUSSED THE DUI BACKLOG THAT COULD POTENTIALLY BE A ONE-TIME USE. HE'S NOT LOOKING FOR ADDITIONAL STAFF POSITIONS. HE'S LOOKING FOR FUNDING TO ADDRESS THE PROBLEM THAT EXISTS RIGHT NOW.

Councilman Littlefield: THE POINT I WANT TO HIGHLIGHT IS THAT WE EARLIER ON, YOU AND THE ESTEEMED TREASURER PRESENTED A BUDGET WHICH WAS BALANCED EXCEPT THAT IT WAS BALANCED BY TAKING \$6 MILLION OUT OF THE UNRESERVED FUND BALANCE. ALREADY, IT'S ONLY 7:00 AND WE'VE HAD FOUR MORE REQUESTS FOR MORE STUFF WHICH ADDS UP TO, I DON'T KNOW HOW MUCH THEY ADD UP TO BUT IT'S A LOT. AND NONE OF THOSE FOUR EXTRA REQUESTS IS IN THAT BUDGET THAT WAS ALREADY PRESENTED. I JUST WANT EVERYBODY TO UNDERSTAND THAT THIS IS ALL EXTRA. IT IS SOMETHING WE'LL HAVE TO GIVE OR WE WILL HAVE TO TAKE MORE MONEY OUT OF THE UNRESERVED FUND BALANCE. IF WE GIVE HIM WHAT HE WANTS AND THE CULTURAL COUNCIL

WHAT THEY WANT THE MONEY'S GOT TO COME FROM SOMETHING. SOMETHING ELSE IS GOING TO HAVE TO BE CUT. JUST TO MAKE SURE EVERYBODY GETS THAT PICTURE.

[Time: 02:49:53]

Mayor Lane: IF I MAY THANK YOU, COUNCILMAN. I MIGHT WHEN WE TALK ABOUT A BALANCED BUDGET, A BALANCED BUDGET IS BALANCED. THE USE OF THE UNALLOCATED RESERVE FUNDS ARE FUNDS THAT WOULD TYPICALLY BE SWEEPED INTO ONE-TIME USES. IN RECENT YEARS WE HAVE BEEN PARTICULARLY JUDICIOUS ABOUT HOLDING A BALANCE BECAUSE OF THE NEED FOR I SUPPOSE THE UNEXPECTED VARIATIONS THAT HAVE OCCURRED IN THE ECONOMY. WE ENCOUNTERED THAT AT THE 1ST HALF OF THIS FISCAL YEAR END. WE WERE NOT MEETING OUR FORECASTED BUDGET NUMBERS. THAT'S BEEN IMPROVED TO THE POINT THAT WE MAY BE MEETING THEM NOW. THE WORLD IS STILL A LITTLE BIT UNCERTAIN ABOUT THIS. SO WE HAVE CHOSEN TO HOLD IN WHAT WE CALL THE UNALLOCATED RESERVE. IT'S LIKE A BALANCE IN THERE AFTER THE RESERVES TO MAKE SURE THAT WE HAVE SOME LATITUDE FOR THOSE UNEXPECTED FLUCTUATIONS IN THE ECONOMY. SO THAT'S A CAREFUL AREA BUT WHEN WE USE THEM FOR ONE-TIME USES THEY SIMPLY ARE AN ALLOCATION OF THOSE AMOUNTS OF MONEY THAT WE FEEL COMFORTABLE ENOUGH TO MOVE INTO ONE-TIME USES. WHEN WE TALK ABOUT THE DUI BACKLOG AND THE USE OF CONTRACTED JUDGES PRO TEM, WE ARE IN AN AS-NEEDED BASIS IT FRANKLY COULD BE AS NEEDED AND CONSTITUTED ONE-TIME USE. THAT'S AT LEAST HOW I SEE IT. I THINK THAT'S A REASONABLE AVENUE TO GO. AT THIS POINT IN TIME AND THERE ARE SOME OTHER CONVERSATIONS THAT WILL TAKE PLACE FOR TAKING NOTES ON THIS, I THINK THAT WE WANT TO AT LEAST LOOK AT A PLAN TO ADDRESS BOTH OF THESE ISSUES THAT THE JUDGE HAS ON THE TABLE. COUNCILMAN PHILLIPS?

Councilmember Phillips: THANK YOU, MAYOR. JUDGE, IF WE FOUND A WAY TO DO THIS AND I THINK WITH WHAT THE CITY MANAGER AND THE MAYOR SAID, IF WE CAN COME BACK AND MAYBE THROUGH UNRESERVED FUNDS THIS IS A ONE-TIME THING THAT WE DID WILL THIS WITH THIS INCREASE YOUR REVENUE ALSO?

Judge Olcavage: COUNCILMAN PHILLIPS, PROBABLY NOT. IF A PERSON IS CONVICTED OF A DUI, THE FINE THAT STAYS WITH THE CITY OF SCOTTSDALE IS \$250. A REGULAR DUI THERE'S \$1000 ASSESSMENT THAT ARE PAID TO THE STATE. FOR EXTREME DUI THERE \$2250 THAT GOES TO THE STATE. ADDITIONALLY, JAIL FEES ARE ASSESSED AND WE HAVE TO PAY THE COUNTY ALTHOUGH WE DO CHARGE THE DEFENDANT AND HOPEFULLY WE RECOUP SOME OF IT BUT CERTAINLY BY NO MEANS WE RECOUP 100%.

Councilmember Phillips: SO REVENUE ASIDE THIS IS BASICALLY JUST TO TRY TO GET RID OF SOME OF THE BACKLOG.

Judge Olcavage: IT'S TRY TO GET THESE CASES RESOLVED.

[Time: 02:53:01]

Councilmember Phillips: THANK YOU.

Judge Olcavage: YOU'RE WELCOME.

Mayor Lane: THANK YOU COUNCILMAN. COUNCILWOMAN MILHAVEN.

Councilwoman Milhaven: THESE POSITIONS THAT APPEAR AND ALL OF THESE POSITIONS ALL NINE OF THEM IN FACT SUPPORT COURT OPERATIONS, IS THAT RIGHT?

Judge Olcavage: RIGHT.

Councilwoman Milhaven: AND BASED ON HOW YOU DESCRIBE IT, IT SOUNDS LIKE IT'S APPROPRIATE FOR IT TO BE PAID OUT OF THE FUND? THE PRACTICE MAY HAVE BEEN DIFFERENT IN THE PAST AND THERE MAY HAVE BEEN AN AGREEMENT WHEN THE SALARIES WERE MOVED FROM ONE PLACE TO ANOTHER BUT ACCORDING TO THE GUIDELINES OR RESTRICTIONS OF HOW THE MONEY CAN BE SPENT IT IS ENTIRELY APPROPRIATE THAT THESE POSITIONS IS FOR SECURITY AND TECHNOLOGY AND SCREENERS. IT SOUNDS LIKE IT'S THE DEFINITION YOU GAVE US IN THE BEGINNING FOR TECHNOLOGY OPERATIONAL SECURITY CAPABILITIES.

[Time: 02:53:55]

Judge Olcavage: COUNCILWOMAN MILHAVEN, FOR THE LAST YEARS THE ONLY SALARIES THAT HAVE BEEN PAID OUT OF THE ENHANCEMENT FUND WERE FOR SECURITY AND WHEN THE FUND WAS ESTABLISHED IN 1993 THAT WAS THE PRIMARY PURPOSE AT THAT TIME. BECAUSE WE JUST LOST POLICE OFFICERS THAT WERE SECURITY, THE CITY COULD NOT AFFORD THE OVERTIME SO WE DEVELOPED A WAY TO HAVE OUR OWN SECURITY THERE AND BE FUNDED BY COURT USERS SO THAT WE STARTED THE SCREENING PROCESS AND HAVING SECURITY PEOPLE. WHEN THE BUDGET CRISIS CAME THE COURT AGREED TO TAKE MORE POSITIONS TO THAT ENHANCEMENT FUND TO HELP OUT THE BUDGET PROCESS, UNDERSTANDING THAT IF THEY STAYED THERE THAT FUND WOULD EVENTUALLY GOING TO THE NEGATIVE. IT WAS NOT MEANT FOR SALARIES. WE HAVE CURRENTLY NINE OF THEM THAT ARE MOVED IN HERE. HOWEVER, THE PRIMARY PURPOSE OF THE FUND IS SECURITY AND TECHNOLOGY. BOTH OF THOSE HELP THE USERS OF THE COURT SO THAT'S WHY HAVE STATED THAT I'M GOING TO KEEP THE I.T. PEOPLE IN THERE AS WELL SECURITY BECAUSE SECURITY AND TECHNOLOGY ARE FOR THE BENEFIT OF THE PEOPLE THAT USE THAT COURT. THE OTHER POSITIONS THAT ARE IN THERE, WE HAVE THE COURT ADMINISTRATOR, TWO DEPUTY COURT ADMINISTRATORS, THE COURT INTERPRETER, THE SENIOR MANAGER ANALYST, AND THE EXECUTIVE SECRETARY IN THERE. I DON'T BELIEVE THAT THE FUND WAS MEANT TO PAY FOR THOSE POSITIONS AND I WOULD ASK THAT EVENTUALLY WE BE ABLE TO REMOVE THOSE AND PUT THEM BACK INTO THE GENERAL FUND.

Councilwoman Milhaven: IF YOU COULD GO BACK A COUPLE OF SLIDES AND I'M SORRY THE SLIDES DON'T HAVE NUMBERS ON THEM AND IT SAYS REQUEST ADDRESS CE FUND AND IT LISTS THE JOBS. WHEN YOU TALK ABOUT COURT ADMINISTRATORS, THAT'S NOT CLEAR TO ME HERE BECAUSE THIS IS NINE PEOPLE WERE MOVED IN FROM THE GENERAL FUND AND THERE'S NINE TOTAL NOW. THREE I.T. YOU'RE GOING TO KEEP AND THE 5.8 THAT ADDS TO 9. SO I WAS READING TO SAY THESE, IT DOESN'T FOOT TO ME. IF YOU HAVE NINE NOW AND YOU MOVE TWO FOR THE NEXT THREE YEARS THAT LEAVES THREE NOT SIX AND THIS IS NOT RECONCILING FOR ME.

Judge Olcavage: COUNCILWOMAN MILHAVEN, THE NINE POSITIONS THAT WERE MOVED TO THE COURT ENHANCEMENT FUND WERE THE COURT ADMINISTRATOR, TWO DEPUTY COURT ADMINISTRATORS, THE COURT INTERPRETER, A SENIOR MANAGEMENT ANALYST, THE EXECUTIVE SECRETARY AND THREE POSITIONS FROM THE I.T. DEPARTMENT. WE HAVE FUNDED OVER ONE DECADE THE COURT SCREENERS, THEY ARE NOT EMPLOYEES, THAT'S THE CITY CONTRACT AND WE JUST USE THE CONTRACT AND WE PAY THE CONTRACTORS OR THE CITY FOR THAT. THE 2.8 COURT SECURITY, WE PAY FOR THAT SO THAT IS NOT PART OF THE NINE. BUT THE THREE I.T. POSITIONS WERE PART OF THE NINE. SO WE HAVE COURT ADMINISTRATION, THE INTERPRETER, THE FINANCE, AND THE I.T. CONSIST OF THE NINE POSITIONS THAT WERE MOVED IN TO THE ENHANCEMENT FUND. WHAT WE ARE REQUESTING IS WE'RE SAYING WE'RE WILLING TO KEEP OR WE'RE GOING TO KEEP THE THREE I.T. POSITION SO IN THE FUTURE WE WOULD FUND FROM THE COURT ENHANCEMENT FUND, THE SCREENING CONTRACT, THE SECURITY GUARDS AND THE I.T. DEPARTMENT BUT WE ARE ASKING THAT THE COURT ADMINISTRATOR AND THE TWO DEPUTY COURT ADMINISTRATORS, THE COURT INTERPRETER, THE FINANCIAL ANALYST AND THE EXECUTIVE SECRETARY EVENTUALLY BE MOVED BACK INTO THE GENERAL FUND.

[Time: 02:57:25]

Councilwoman Milhaven: I HAVE A FOLLOW-UP QUESTION. SO THE LIMITATIONS ON THIS FUND WERE SET BY A PRIOR COUNCIL?

Judge Olcavage: IN 1993.

Councilwoman Milhaven: OKAY. THANK YOU.

Judge Olcavage: YOU'RE WELCOME.

Mayor Lane: THANK YOU, COUNCILWOMAN. I'M SORRY, VICE MAYOR KLAPP.

Vice Mayor Klapp: I WOULD AGREE WITH THE CONCEPT OF HAVING THE CITY MANAGER COME BACK WITH A PLAN ON HOW WE COULD EVENTUALLY MOVE THESE SIX PEOPLE OUT OF THE NINE BACK INTO THE GENERAL FUND. WHETHER OR NOT IT WOULD BEGIN THIS YEAR MAY OR MAY NOT HAPPEN AND IT DEPENDS ON THE RECOMMENDATION OF THE CITY MANAGER. I WOULD AGREE THAT SIX OF THE NINE DO NOT SOUND LIKE THEY NEED TO BE PAID OUT OF THE COURT ENHANCEMENT FUND. THAT MAKE SENSE TO ME AND AS FAR AS THE OTHER ISSUES THAT YOU OUTLINED AS TO THAT \$80,000 OR SO THAT YOU NEED IN ORDER TO ADDRESS THE BACKLOG ISSUE AND I WOULD HOPE THAT THERE COULD BE SOMETHING THAT MIGHT COME FROM ONE-TIME FUNDS SINCE IT DOES NOT SOUND LIKE IT IS SOMETHING THAT'S AN ONGOING COST FOR THE DEPARTMENT AND ALL WE WOULD ASK IS FOR THE CITY MANAGER TO COME BACK WITH A PROPOSAL THAT WAS ALREADY BEEN MET AS WELL.

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

Councilwoman Milhaven: SORRY, I JUST WANT TO FOLLOW ON TO THAT. I DO THINK THIS REQUIRES ADDITIONAL DISCUSSION AND INFORMATION SINCE THE PARAMETERS OF THE FUND WERE DEFINED BY PREVIOUS COUNCIL. I THINK IT'S ENTIRELY APPROPRIATE FOR US TO RETHINK IF THAT'S HOW WE WANT THAT FUND TO BE SPENT. IT FEELS A LITTLE BIT LIKE A SHELL GAME. IF WE MOVE THIS MONEY INTO THE GENERAL FUND IT'S STILL MONEY THAT WE ARE PAYING AND WHERE IS IT COMING FROM. WE HAVE A SURPLUS HERE, WHY WOULD WE WANT TO USE THAT SURPLUS. I KNOW IN THE BOND CONVERSATION WE SAID WE WOULD USE THIS FUND TO FINANCE CAPITAL IMPROVEMENTS OF THE COURT BUILDING BUT IT IS CERTAINLY USING UP WHAT IS IT \$300,000 A YEAR MORE IN THERE SO WE WOULD HAVE TO HAVE A HUGE SWING TO DO THIS. I DON'T THINK IT'S A PRACTICAL USE AND I THINK WE NEED TO LOOK IN TOTAL TO SAY WHAT IS THAT, WHICH POSITIONS ARE BEING MOVED, ARE THEY SUPPORTING THE COURT OR NOT AND IF THE LONG-TERM GOAL IS TO FINANCE CAPITAL IMPROVEMENTS I WOULD LIKE TO HAVE A BETTER FEEL FOR WHAT THAT LOOKS LIKE.

[Time: 02:59:55]

Mayor Lane: THANK YOU, COUNCILWOMAN. I THINK AT THIS POINT IN TIME WE WOULD HAVE TO REAGENDIZE SOMETHING AS FAR AS THE DEVELOPMENT OF A CHANGE IN WHATEVER ORDINANCE MAY DICTATE ON THIS AND I'M NOT SURE EXACTLY WHERE IT LIES. BUT RIGHT NOW WE'RE DEALING WITH CIRCUMSTANCES AS THEY EXIST. CERTAINLY, I THINK A PLAN TO COME BACK HAS BEEN INDICATED AND IT IS PROBABLY ALTOGETHER APPROPRIATE AND WE WILL HAVE ANOTHER OPPORTUNITY TO DISCUSS AT THAT TIME.

WITH THAT, I THINK THAT WE HAVE COMPLETED THE FIRST RUNG ON THIS LADDER. WE ARE WORKING OUR WAY DOWN. SO, WE WILL MOVE ON TO PUBLIC SAFETY. I DID NOT SEE ALAN IN THE ROOM SO I'M PRESUMING CERTAINLY THAT YOU BE HANDLING IT FOR US, COMMANDER? I'M SORRY, CHIEF?

[Time: 03:00:54]

Assistant Police Chief John Cocca: YES, MAYOR. GOOD EVENING. MAYOR AND MEMBERS OF THE CITY COUNCIL MY NAME IS JOHN COCCA, ASSISTANT POLICE CHIEF. IT'S MY PLEASURE TO PRESENT TO YOU AN OVERVIEW OF THE POLICE DEPARTMENT FISCAL YEAR 2013-2014 OPERATING BUDGET. WITH ME TODAY ARE THE MEMBERS OF THE STAFF TO ANSWER THE QUESTIONS YOU MIGHT HAVE.

OUR FISCAL YEAR 2013-2014 OPERATING BUDGET IS ESSENTIALLY A SAME SERVICES BUDGET WITH SOME MINOR MODIFICATIONS. WHAT I MEAN BY THAT IS WE ARE NOT CHANGING ANY PATROL DEPLOYMENT, ANY DETECTIVE DEPLOYMENT, THE NUMBER OF DISPATCHERS. ACTUALLY, THE NUMBER OF EMPLOYEES STAYS EXACTLY THE SAME EXCEPT FOR THE INCREASE OF ONE FORENSIC SERVICES MANAGER WHICH I WILL GET TO LATER. AND THAT WAS MENTIONED EARLIER BY CITY MANAGER DAN WORTH.

QUICKLY WHAT I WANTED TO DO WAS OUR ORGANIZATIONAL CHART AT THE BEGINNING OF THE FISCAL YEAR LOOKED SOMEWHAT LIKE THIS, PRETTY BASIC AND EASY TO UNDERSTAND. THERE'S THE OFFICE OF THE CHIEF, UNIFORMED SERVICES, BASICALLY EVERYONE IN A UNIFORM AND INVESTIGATIVE SERVICES WHICH IS ON THE DETECTIVES AND ADMINISTRATIVE SERVICES. WHAT WE

DID IN ORDER TO BE AND MAKE SOME THINGS MORE EFFICIENT BECAUSE WE MOVED A NUMBER OF THINGS INTO A PUBLIC SAFETY SILO, AND WHAT WE DID IS THE SERVICE AREAS THAT WERE MOVED, YOU CAN SEE ON THIS CHART, WE MOVED FROM THE POLICE DEPARTMENT WITHIN THE POLICE DEPARTMENT OR TO THE PUBLIC SAFETY DIVISION. THE BUDGET OFFICE, PLANNING, RESEARCH AND ACCREDITATION, RECORDS, CRIME ANALYSIS, TECHNOLOGY, PERSONNEL SERVICES AND RECRUITMENT, SUPPLY, AND EQUIPMENT, AND MUNICIPAL SECURITY, TRAFFIC CONTROL ALL WENT INTO PUBLIC SAFETY. THE COMMUNICATION SECTION WHICH IS DISPATCH WAS MOVED TO UNIFORMED SERVICES BUREAU AND THE FORENSIC SERVICES AND TRAINING WAS MOVED TO THE INVESTIGATIVE SERVICES BUREAU. BASICALLY THIS IS WHAT THE ORGANIZATIONAL CHART LOOKS LIKE NOW FOR THE FISCAL YEAR 2013/2014 FOR POLICE, FIRE, AND PUBLIC SAFETY.

WHAT I WANTED TO GET TO WAS THE BIG CHANGE WITHIN OUR BUDGET. THROUGH A COLLABORATIVE EFFORT WITH THE CITY COURT AND THE CITY PROSECUTOR, I MUST SAY IT WAS COLLABORATIVE. WITHOUT THE HELP OF THE CITY JUDGE AND HIS STAFF AND THE CITY ATTORNEY AND THE CITY PROSECUTOR STAFF WITH IMPLEMENTING ELECTRONIC MONITORING FOR DWI CASES AND CHANGE IN PRACTICE IN TIME FOR INITIAL COURT APPEARANCES, THE NUMBER OF PEOPLE SENT TO THE MARICOPA COUNTY SHERIFF'S OFFICE HAS DECLINED OVER THE LAST FEW YEARS.

DECREASING THE CITY COSTS OF MARICOPA COUNTY FOR HOUSING INMATES. THIS YEAR THE JAIL CONTRACT WAS BUDGETED TO REFLECT CURRENT TRENDS AND EXPENSES THUS ALLOWING THE DEPARTMENT TO COVER DEPARTMENT NEEDS AND UNAVOIDABLE INCREASES WITHOUT ASKING FOR AN INCREASE IN THE BUDGET. BOTH THE P.D. AND PUBLIC SAFETY BUDGETS REFLECT REALLOCATION OF THE JAIL SERVICES CONTRACT DECREASE AND AS YOU CAN SEE FROM FISCAL YEAR 2012-2013 TO FISCAL YEAR 2013 TO 2014 THERE'S A MILLION-DOLLAR DECREASE IN WHAT IS BUDGETED TO PAY THE JAIL SERVICES TO MARICOPA COUNTY.

WORKING IN CONJUNCTION WITH THE BUDGET OFFICE AND THE CITY MANAGER'S OFFICE WHAT I WANTED TO SHOW YOU IS THE RE-ALLOCATION OF THAT \$1 MILLION. WE RE-ALLOCATED \$708,000 TO NEEDS THAT WE FELT WE HAD TO HAVE WITHIN THE POLICE DEPARTMENT AND PUBLIC SAFETY. AS YOU CAN SEE, WE PUT \$226,000 OF THAT INTO OVERTIME AND THAT WOULD BE REFLECTED ON THE NEXT SLIDE WE SHOW YOU. THERE'S ROUGHLY \$144,000 INCREASE IN TECHNOLOGY AND EQUIPMENT CONTRACTS, \$111,000 RELATED TO THAT POSITION THAT THE CITY MANAGER MENTIONED EARLIER WHICH IS THE FORENSIC SCIENTIST SUPERVISOR AND AS YOU CAN SEE DOWN THE LIST IS THESE WERE NEEDS THAT WE FELT THAT WE HAD TO HAVE WITHIN NEXT YEAR'S BUDGET IN ORDER TO EFFICIENTLY AND EFFECTIVELY OPERATE THE POLICE DEPARTMENT. OF THE REMAINING \$292,000 THAT WAS FOR CITY INCREASES SUCH AS RETIREMENT, HEALTH CARE AND WORKERS' COMPENSATION.

[Time: 03:05:34]

POLICE DEPARTMENT OVERTIME. I WANT TO GIVE YOU AN HISTORICAL LOOK AT WHAT WAS APPROVED AND WHAT WAS ADOPTED IN THE PREVIOUS YEAR'S BUDGETS AND WHAT WE ACTUALLY SPEND. FISCAL YEAR 07/08, WE SPENT A LOT. WE SPENT ALMOST \$7.5 MILLION. THE LAST FEW YEARS WE'VE BEEN JUST AT \$5 MILLION OR UNDER \$5 MILLION. WITH THE INCREASE IN OVERTIME APPLICATION FROM THE REDUCTION IN THE JAIL SERVICES CONTRACT THE PROPOSED OVERTIME BUDGET FOR NEXT FISCAL YEAR IS JUST UNDER \$4.5 MILLION.

RELATED TO THAT FORENSIC SERVICES SUPERVISOR, WHAT I WANTED TO LET YOU KNOW IS WHAT EXACTLY THAT PERSON IS GOING TO BE RESPONSIBLE FOR. THE PERSON IS RESPONSIBLE FOR DIRECT SUPERVISION OF FOUR FORENSIC SCIENTISTS IN CHARGE OF CONTROLLED SUBSTANCES, BLOOD ALCOHOL AND TOXICOLOGY, FIREARMS AND TOOLMARK EXAMINATION. THEY'RE ALSO RESPONSIBLE FOR TRACE EVIDENCE, PERFORMING ANALYSIS ON ALL HAIR, FIBER, FOOTWEAR, AND FIRE DEBRIS. JUST TO LET YOU KNOW THIS IS A WORKING SUPERVISOR. THEY WILL HAVE ANALYSIS THAT THEY HAVE TO CONDUCT IN AND OF THEMSELVES AND THEY ARE ALSO BACK UP TO THE FIREARM AND TOOLMARK EXAMINER.

THAT IS THE ONLY POSITION THAT WE ASK TO BE INCLUDED IN THE BUDGET. AS THE CITY MANAGER MENTIONED BEFORE THIS EMPLOYEE IS ALREADY HERE. WE'VE BEEN FUNDING THAT THROUGH ONE OF THE OVER FILL POSITIONS BECAUSE THERE'S SO MUCH WORK TO DO IN THE LAB. IT WAS FELT THAT WE NEEDED TO FORMALIZE THIS AND GET THIS INTO A FULL-TIME EQUIVALENCY WITH ITS OWN POSITION CONTROL NUMBER WITHIN THE BUDGET.

WHAT I WANT TO LET YOU KNOW IS WE DID ASK FOR SOME REQUESTS IN THE BUDGET PROCESS THAT WERE NOT INCLUDED. WE ASKED FOR THREE DISPATCHERS AND ONE SUPERVISOR IN THE 911 COMMUNICATION CENTER. SINCE 2008/2009, WE HAVE REDUCED THAT SECTION BY 16 POSITIONS. OUR CRIME LABORATORY IS IN ACTUAL NEED OF ANOTHER FORENSIC SUPERVISOR. THIS WOULD BE A PROGRAM MANAGER RESPONSIBLE FOR QUALITY ASSURANCE FOR ALL CRIME LABORATORY DISCIPLINES. THERE IS A LOT OF WORK GOING ON IN THE CRIME LAB AND AS YOU CAN IMAGINE WE HAD SOME NEW PROTOCOLS THAT HAVE BEEN HANDED DOWN FROM THE PROSECUTORS RELATED TO WHAT WE NEED TO DO ON MAJOR CASES WHETHER THOSE ARE HOMICIDE, SEXUAL ASSAULT, CHILD SEX CRIMES, DOMESTIC VIOLENCE AND THINGS LIKE THAT. THERE'S A LOT OF WORK TO DO THERE. WE ALSO ASK FOR PROPERTY AND EVIDENCE TECHNICIAN FOR \$58,000. WE HAVE A LOT OF EVIDENCE IN PROPERTY THAT COMES INTO THE WAREHOUSE. THAT ALL NEEDS TO BE PROCESSED AND IT ALL NEEDS TO BE LOOKED AT WHETHER IT CAN BE RELEASED TO THE RIGHTFUL OWNER OR SOLD AT AUCTION. WE ARE STARTING TO GET BACKLOGGED IN THE EVIDENCE ROOM WITH A NUMBER OF ITEMS THAT ARE TAKING UP A LOT OF SHELF SPACE.

WE ALSO ASK FOR A WEEKEND ON-CALL STANDBY PAY FOR SWAT LIEUTENANTS. CURRENTLY I DO NOT HAVE MANAGEMENT PERSONNEL THAT IS GUARANTEED TO BE THERE ON THE WEEKENDS RELATED TO IF WE HAVE SOME TYPE OF SWAT RESPONSE WHICH IS A CALLOUT. CURRENTLY I DO PAY FOR A SWAT SERGEANT BUT I HAVE AT LEAST ONE SUPERVISOR THAT I KNOW WOULD BE AVAILABLE WEEKENDS. WE ALSO ASK FOR ONE-TIME MONEY RELATED TO A CONSULTANT TO UPDATE AND REVISE EMERGENCY OPERATIONS AND CONTINUATION OF THE GOVERNMENT PLANS FOR THE CITY.

[Time: 03:09:30]

I KNOW THAT WAS QUICK BUT BASICALLY WE DID NOT HAVE ANY MAJOR CHANGES OTHER THAN THE RE-ALLOCATION OF THAT \$1 MILLION OF THE SAVINGS OF THE JAIL CONTRACT. I WILL BE HAPPY TO ANSWER ANY QUESTIONS YOU MAY HAVE.

Mayor Lane: THANK YOU, CHIEF. WE APPRECIATE IT. WE DO HAVE QUESTIONS OR COMMENTS STARTING WITH COUNCILMAN ROBBINS.

Councilman Robbins: THANK YOU, CHIEF. APPRECIATE THAT. CAN YOU HELP EXPLAIN TO ME. WE HAD A SPEAKER EARLIER THAT SAID A THIRD OF 911 CALL CENTER EMPLOYEES WAS VACANT BUT THEN YOU ARE REQUESTING AN ADDITIONAL THREE DISPATCHERS PLUS THE SUPERVISOR. EXPLAIN TO ME WHAT'S GOING ON THERE.

Chief Cocca: RIGHT NOW I HAVE SEVEN VACANCIES. LET ME BACK UP. I HAVE 39 AUTHORIZED POSITIONS THAT ARE DISPATCHERS. I HAVE 7 THAT ARE VACANT AND I HAVE 5 THAT ARE IN TRAINING SO IF YOU ARE RELATED TO OPERATIONAL I HAVE ROUGHLY ONE THIRD OF THE AUTHORIZED POSITIONS CURRENTLY ARE NOT FULLY OPERATIONAL. THE REASON WE ARE ASKING FOR SOME ADDITIONAL IS BECAUSE RIGHT NOW WE FELT THAT WE HAVE GONE TOO LOW AND I'M STAFFING THE REST OF THOSE VACANT POSITIONS WITH OFFICERS THAT ARE EITHER TRAINED TO BE CALL TAKERS OR POLICE ASSISTANTS THAT ARE TRAINED TO BE TO CALL TAKERS. I'VE OTHER PERSONNEL THAT ARE ACTUALLY WORKING IN THERE NOW.

Councilman Robbins: OKAY. I UNDERSTAND THAT. SO WHEN YOU HAVE SEVEN VACANT THEY ARE NOT ACTUALLY VACANT. THEY'RE FILLED BY SOMEBODY ELSE THAT'S NOT REALLY, WOULD NOT BE YOUR FIRST CHOICE? THEY ARE NOT ACTUALLY SLOTTED FOR THAT POSITION?

Chief Cocca: THERE CURRENTLY IS NOT A DISPATCHER THAT IS HIRED TO TAKE THAT POSITION. I HAVE TO MOVE SOMEBODY ELSE FROM WITHIN THE ORGANIZATION THAT HAS BEEN TRAINED IN ORDER TO FILL THAT SEAT.

[Time: 03:11:29]

Councilman Robbins: OKAY. I KNOW THIS GETS A LITTLE STICKY BUT CAN YOU SPEAK TO SOME OF THE RETENTION ISSUES THAT WERE BROUGHT UP EARLIER AND LET ME HEAR ABOUT WHAT YOU HAVE TO SAY ABOUT RETENTION WITHIN THE DEPARTMENT.

Chief Cocca: RETENTION HAS BEEN AN ISSUE FOR US FOR THE LAST TWO FISCAL YEARS. 2010/2011 WHEN THE ECONOMY STARTED TO IMPROVE IT WAS STILL I BELIEVE ANECDOTALLY MAYBE A LITTLE NERVE-WRACKING FOR EMPLOYEES TO LEAVE BUT OUR RETENTION ISSUES RELATED TO THE LAST TWO FISCAL YEARS IS ROUGHLY ABOUT A 55% 60% INCREASE FROM 2010/2011. WE HAD ABOUT 33 PEOPLE LEAVE THE ORGANIZATION. THAT INCLUDES SWORN AND CIVILIAN IN 2010/2011. THERE WERE 50 LAST FISCAL YEAR AND THROUGH THE END OF LAST MONTH WE HAD 45.

Councilman Robbins: THAT'S ACTUAL PEOPLE LEAVING?

Chief Cocca: THAT'S ACTUAL PEOPLE THAT ARE NO LONGER EMPLOYED. SOME OF THOSE OBVIOUSLY WERE EXPECTED, WE HAD RETIREMENTS, WE HAVE SOME PEOPLE THAT LEFT IN LIEU OF BEING LET GO BUT THE MAJORITY OF THOSE WERE UNEXPECTED.

Councilman Robbins: AND THEN CAN I GET YOUR REACTION TO OUR 105% FOR ENTRY-LEVEL POSITIONS. HOW HAS THAT AFFECTED THE RECRUITING SIDE OF THE HOUSE?

[Time: 03:13:08]

Chief Cocca: THE 105% IS A GREAT START. WE THINK THAT IT IS GOING TO, DEFINITELY MADE US COMPETITIVE AT THE STARTING SALARY. THE 10 AGENCIES THAT WE COMPARE OURSELVES TO, IT MADE US NUMBER TWO. I WOULD SAY THAT'S EXTREMELY COMPETITIVE. SO THE ISSUE BOILS DOWN TO IS WHAT HAPPENS AFTER THAT. THOSE THAT ARE LOOKING TO GO SOMEWHERE ELSE, IT USUALLY HAS TO DO WITH THE ABILITY TO MOVE THROUGH THE RANGE OR THE NON-ABILITY TO MOVE THROUGH THE RANGE WHERE THERE IS NO MONEY AVAILABLE FOR THAT.

Councilman Robbins: AND THEN CAN YOU SPEAK TO WHAT IS THE WORD ON THE STREET OR HOW DO DEPARTMENTS HANDLE TRYING TO STEAL EMPLOYEES FROM OTHER DEPARTMENTS? IF THE CITY OF MESA DECIDES THERE GOING TO HIRE 10 OF OUR OFFICERS THEN I WOULD SAY CITY MANAGER, GO GIVE \$5000 SIGNING BONUSES TO EVERYBODY THAT COME FROM MESA. HOW DO WE DEAL WITH THAT?

Chief Cocca: WHAT I CAN TELL YOU IS FROM A POLICE MANAGER'S PERSPECTIVE, EVERYBODY IS A FREE AGENT. BY THAT I MEAN THEY ARE CERTIFIED IN THE STATE OF ARIZONA. ONCE YOU GO TO A POLICE ACADEMY YOU ARE ABLE TO WORK AND YOU'RE CERTIFIED AND YOU ARE ABLE TO WORK AT ANY POLICE AGENCY IN THE STATE. WE HAVE HIRED MESA OFFICERS, WE'VE HIRED CHANDLER OFFICERS. SO IF SOMEBODY WANTS TO GO AND THAT AGENCY THINKS THEY ARE THE MOST QUALIFIED OR WANTS TO HIRE THEM, THEN IT HAPPENS.

Councilman Robbins: HOW DOES THAT AFFECT AN OFFICER'S RETIREMENT OR THEIR PENSION OR HOW DOES THAT WORK?

Chief Cocca: IT DOESN'T AT ALL. THEY JUST GO FROM, JUST LIKE THEY WORKED AT THE SAME PLACE UNLESS THEY DECIDE TO TAKE IT OUT. YOU DO HAVE AN OPTION WHEN YOU MOVE FROM ONE AGENCY TO ANOTHER TO REMOVE YOUR RETIREMENT AND START OVER WHICH I WOULD NOT RECOMMEND.

Councilman Robbins: I WOULD NOT EITHER. THANK YOU.

Mayor Lane: THANK YOU, COUNCILMAN. COUNCILMEMBER KORTE.

[Time: 03:15:08]

Councilmember Korte: THANK YOU, MAYOR. THANK YOU CHIEF. WITH THE PROPOSED 2% INCREASE IN SALARIES THAT IS ALREADY BUILT IN THE BUDGET, WHAT DOES THAT MEAN FOR THE POLICE DEPARTMENT? WHAT IMPACT DOES THAT HAVE?

Chief Cocca: MAYOR, COUNCILMEMBER KORTE, THE IMPACT IS WE HAVE NOT DECIDED EXACTLY HOW THAT IS GOING TO BE IMPLEMENTED. OUR GOAL IS TO IF YOU ARE A FULL PERFORMER AND YOU

MEET FULL PERFORMER STATUS, IS TO AVAIL YOU OF THAT 2%. THAT STILL PUTS US BEHIND OUR COMPETITORS. THERE ARE SOME OF OUR AGENCIES AND PEER AGENCIES HAVE MOVED THEIR EMPLOYEES THROUGH THE RANGE LAST YEAR OR THE YEAR BEFORE AND PLAN TO THIS YEAR. NOT ALL OF THEM BUT MOST OF THEM.

[Time: 03:16:11]

Councilmember Korte: CERTAINLY OFFICER MILLER AND OFFICER HILL PROVIDED SOME STATEMENTS AND SOME STATISTICS THAT WERE COMPELLING WHETHER VACANT POSITIONS, 62% IN THE SURVEY ARE CONSIDERING LEAVING. HOW DO WE ADDRESS APPARENT DISPARITY IN SALARY OR IS THAT A DISPARITY IN SALARY. HOW DO WE COMPARE AND HAVE WE PUT TOGETHER THOSE METRICS, THOSE STATISTICS TO TELL OUR STORY?

Chief Cocca: MAYOR, COUNCILMEMBER KORTE, THE STATISTICS ARE AVAILABLE, WE HAVE NOT DONE A COMPREHENSIVE LOOK AT THAT. I CAN TELL YOU ANECDOTALLY WHEN WE WENT TO THE 105%, LIKE I SAID THAT TOOK US TO NUMBER TWO. THAT IS A GREAT SPOT TO BE. THE ISSUE IS WHAT HAPPENS AFTER THAT. IF YOU HAVE A RANGE, THE HOPE OF THE GOAL IS THAT AT SOME POINT WE CAN MOVE OUR EMPLOYEES THROUGH THE RANGE SO THAT THEY ARE AVAILABLE TO GET TO THE TOP OF THE RANGE AT SOME POINT WITHIN THEIR CAREER.

Councilmember Korte: SO THAT 105% TOOK US TO NUMBER TWO IN BEGINNING SALARIES YET THE IMPACT TO JOURNEYMEN TENURED EMPLOYEES, WHAT SIMILAR, DIFFERENT, NEGATIVE...

Chief Cocca: MAYOR AND COUNCILMEMBER KORTE, IT'S BEEN MY EXPERIENCE CURRENTLY JOURNEYMEN LAG BEHIND. JOURNEYMEN AND WOMEN LAG BEHIND THE PAY OF THEIR PEERS IN OTHER AGENCIES.

Councilmember Korte: THANK YOU.

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

Vice Mayor Klapp: I GUESS I WANT TO TALK ABOUT AN OPERATIONAL ISSUE THAT I SEE AND THAT IS THE 911 COMMUNICATION CENTER. WE'VE LOST SIXTEEN PEOPLE SINCE 2008/2009. CAN YOU GIVE ANY DATA THAT SHOWS HOW MANY CALLS YOU GOT IN 2008 VERSUS THE CALLS THAT YOU'RE GETTING TODAY? HAS IT INCREASED? DECREASED? STAYED THE SAME?

Chief Cocca: MAYOR, VICE MAYOR KLAPP, I CAN GET THAT INFORMATION FOR YOU. THE CALLS FOR SERVICE THAT HAVE COME IN HAVE GONE DOWN SINCE THAT TIME THAT'S WHY WE REDUCED SOME OF THOSE POSITIONS. WE JUST THINK WE REDUCED TOO FAR. LET ME SEE IF I CAN FIND IT IN HERE.

Vice Mayor Klapp: DO YOU HAVE DATA THAT TELLS US YOU HOW MANY CALLS A PERSON CAN HANDLE IN ONE SHIFT? SO IT WILL TELL YOU HOW MANY PEOPLE YOU SHOULD HAVE ON STAFF?

[Time: 03:19:35]

Chief Cocca: MAYOR, VICE MAYOR KLAPP, YES WE DO. IT'S NOT EXACT AND THE REASON I SAY THAT IS YOU CAN HAVE ONE CALL THAT TAKES THIRTY SECONDS AND YOU CAN HAVE ONE CALL WHERE WE ARE TYING UP ALL THE CALL TAKERS BECAUSE WE'RE GETTING A NUMBER OF CALLS THAT ARE COMING IN. IT'S NOT AN EXACT SCIENCE BUT THAT IS HOW WE FORMULATE HOW WE STAFF DISPATCH. OBVIOUSLY THERE ARE MORE PEOPLE IN THERE ON A FRIDAY OR SATURDAY NIGHT THAN THERE IS ON A SUNDAY MORNING.

Vice Mayor Klapp: DO YOU FEEL, AS YOU SAID YOU'VE REDUCED SOME INTENTIONALLY BUT YOU THINK YOU'VE GONE TOO FAR, HOW HAS THIS IMPACTED RESPONSE TIMES?

Chief Cocca: MAYOR, VICE MAYOR KLAPP, WE ARE STILL UNDER THE SIXTH MINUTE GOAL. THE RESPONSE TIMES THIS YEAR FOR FISCAL YEAR 2013/2014 IS TO SAY AT THE FIVE MINUTES 11 SECONDS RELATED TO THE EMERGENCY CALLS FOR SERVICE. SO WE ARE STILL UNDER THE SIX MINUTE STANDARD. FOR US, WE TRACK THAT FROM HELLO TO HELLO. WHEN YOU CALL THE DISPATCHER AND THEY ANSWER THE PHONE AND SAY 911 EMERGENCY, TO WHEN THERE IS A POLICE OFFICER AT YOUR DOOR, THAT'S THE TIMEFRAME THAT WE TRACK SO WE'RE STILL UNDER SIX MINUTES.

Vice Mayor Klapp: DO YOU TRACK THE TIME THAT PEOPLE ARE WAITING FOR HELLO?

Chief Cocca: MAYOR, VICE MAYOR KLAPP, YES WE DO. THERE IS A SYSTEM IN THE DISPATCH CENTER THAT SHOWS HOW LONG THE CALL WAS WAITING. YOU CAN SEE IT. IF IT COMES IN ON THE 911 WE TRY TO GET IT IN FAIRLY SHORT ORDER WITHIN THE FIRST FIVE SECONDS, IF IT LASTS LONGER THAN THAT IT GOES TO A YELLOW, IF IT LASTS MUCH LONGER THAN THAT, IT GOES TO A RED AND ALL THE BELLS GO OFF AND THAT'S WHEN YOU HAVE SUPERVISORS AND OTHER PEOPLE START ANSWERING THE PHONE OTHER THAN THE CALL TAKERS THEMSELVES.

Vice Mayor Klapp: DO YOU FIND WITH THE REDUCTION IN THE NUMBER OF DISPATCHERS THAT YOU'VE GOT RIGHT NOW THAT YOU'RE SEEING THAT YELLOW OR RED SITUATION MORE THAN YOU WERE A COUPLE YEARS AGO?

Chief Cocca: MAYOR AND VICE MAYOR KLAPP, THE ANSWER TO THAT QUESTION IS NO. THE REASON BEING IS WE STAFF THOSE SEATS THAT WOULD BE EMPTY BECAUSE WE HAVE SOME VACANCIES WITH OTHER PERSONNEL THAT ARE TRAINED. I HAVE OTHER POLICE OFFICERS THAT ARE TRAINED THAT SOMETIMES DURING THEIR SHIFT OR SOMETIMES ON THEIR DAYS OFF THEY SIT IN THOSE SEATS SO THERE'S ALWAYS A PERSON THERE TO ANSWER THE PHONE.

Vice Mayor Klapp: OKAY, BUT YOU ARE TAKING PEOPLE OTHER POSITIONS TO FILL THOSE SLOTS ON A TEMPORARY BASIS SO IN SOME CASES THOSE PEOPLE MAY NOT BE ABLE TO FILL THE POSITION THEY WERE HIRED IN TO DO?

[Time: 03:22:20]

Chief Cocca: MAYOR, VICE MAYOR KLAPP, THAT IS CORRECT. CURRENTLY I HAVE A NUMBER OF OFFICERS THAT ON THEIR DAYS OFF OR AT THE END OF THEIR SHIFT WILL GO WHEN AND THEN I HAVE TWO POLICE ASSISTANTS THAN I'M GOING TO MOVE FULLTIME INTO THAT ROLE ON A TEMPORARY

BASIS. THEY WILL NOT BE ON PATROL ON THE STREET TAKING REPORTS. THEY WILL BE IN THE DISPATCH CENTER IN ORDER TO TRY TO ALLEVIATE SOME OF THE STRESS AND THE OVERTIME THAT WE WERE INCURRING IN DISPATCH.

Vice Mayor Klapp: IF YOU HAVE THE THREE DISPATCHERS AND THE SUPERVISORS THAT ARE NOT IN THE BUDGET SHOWN HERE AS \$276,000, HOW WOULD THAT POTENTIALLY REDUCE YOUR OVERTIME BUDGET?

Chief Cocca: IF WE HAD THOSE POSITIONS AUTHORIZED, WHAT WE HAVE TO DO, MAYOR AND VICE MAYOR KLAPP, IS HIRE THOSE PEOPLE; GET THEM IN SOME TYPE OF FIELD TRAINING AND GET THEM ON THEIR OWN AND THAT IS A LONG PROCESS. IN ORDER TO EVEN START THAT WE HAVE TO GET THE POSITIONS APPROVED SO WE CAN GET THE PEOPLE IN THERE TO HANDLE THE CALLS AND THE WORKLOAD.

Vice Mayor Klapp: YOU ALREADY HAVE PEOPLE RIGHT NOW THAT ARE IN THAT THE CATEGORY THAT ARE BEING TRAINED.

Chief Cocca: THEY ARE AND VICE MAYOR KLAPP, WE HAVE FIVE PEOPLE CURRENTLY IN TRAINING AND THERE ARE SEVEN VACANCIES THAT THERE IS NOBODY IN.

[Time: 03:23:34]

Vice Mayor Klapp: I GUESS WHAT I'M GETTING AT IS IF YOU, IF THOSE FIVE ARE TRAINED AND YOU BRING IN THESE THREE THAT WOULD HAVE TO BE TRAINED, AFTER ALL THE DUST SETTLES AND THEY'RE IN THEIR POSITIONS AS DISPATCHERS ETC., HOW DO YOU, THIS MAY JUST BE A SUBJECTIVE ANSWER, HOW DO YOU FEEL THAT WOULD IMPACT YOUR OVERTIME EXPENDITURES?

Chief Cocca: MAYOR AND VICE MAYOR KLAPP IT DEFINITELY WOULD GO DOWN. RIGHT NOW I HAVE A 39 PERSON DEPLOYMENT SCHEDULE AND CURRENTLY I HAVE 12 OF THOSE POSITIONS THAT ARE NOT FULLY FUNCTIONAL. SO I HAVE TO PUT SOMEONE THAT IS FULLY FUNCTIONAL EITHER ON OVERTIME OR REASSIGN THEM TO PERMANENT STATUS IN DISPATCH IN ORDER TO GET THAT WORK DONE.

Vice Mayor Klapp: HOW LONG DOES IT TAKE TO TRAIN?

Chief Cocca: MAYOR, VICE MAYOR KLAPP, IT TAKES ROUGHLY NINE MONTHS.

Vice Mayor Klapp: SO YOU WOULD NOT SEE ANY SAVINGS UNTIL YOU HAVE TO HIRE THEM AND TRAIN THEM AND PROBABLY AT THE END OF THE YEAR. THEY PROBABLY WOULDN'T SEE ANY OVERTIME SAVINGS IN THIS NEXT FISCAL YEAR, IT WOULD BE IN THE FOLLOWING FISCAL YEAR.

Chief Cocca: IT CLEARLY WOULD NOT BE UNTIL FISCAL YEAR 2014-2015. WE WOULD NOT SEE ANY SAVINGS IN 2013 OR 2014 JUST DUE THE TRAINING TIMELINE, IN FACT RELATED TO THAT.

Vice Mayor Klapp: OKAY. THANK YOU.

Mayor Lane: THANK YOU, VICE MAYOR. COUNCILMAN LITTLEFIELD.

[Time: 03:25:00]

Councilman Littlefield: AN ANSWER TO A QUESTION THAT COUNCILMEMBER KORTE RAISED A COUPLE MINUTES AGO, YOU SAID THAT YOU HAD THE STATISTICS THAT WERE AVAILABLE BUT YOU HAD NOT ANALYZED THEM. DID I HEAR YOU SAY THAT THOSE WERE STATISTICS ON RETENTION?

Chief Cocca: MAYOR, COUNCILMAN LITTLEFIELD, I HAVE THE RETENTION STATISTICS. I HAVE HOW MANY PEOPLE HAVE LEFT. I DO KNOW THOSE NUMBERS. THE THING I WAS REFERRING TO, TO COUNCILMEMBER KORTE WOULD BE THE PAY AND HOW THE OTHER AGENCIES ARE PAYING THEIR PEOPLE AND WHAT THEY ARE PAYING THEM AT, RELATED TO TIME AND GRADE.

Councilman Littlefield: SO YOU SAID YOU HAD NOT ANALYZED THOSE YET. DO PLAN ON DOING THAT?

Chief Cocca: MAYOR, COUNCILMEMBER LITTLEFIELD, I WAS NOT PLANNING ON DOING A COMPREHENSIVE LOOK AT WHAT ALL THE OTHER AGENCIES WERE PAYING RELATED TO TIME AND GRADE FOR THEIR EMPLOYEES. WE HAVE LOOKED AT THE RETENTION TO SEE WHERE OUR PROBLEMS AND ISSUES ARE AND EXIT INTERVIEWS AND WHAT PEOPLE SAY SOME OF THE ISSUES ARE TO WHY THEY ARE LEAVING.

Councilman Littlefield: ABSENT A COMPREHENSIVE ANALYSIS TO HOW WE STACK UP TO EVERYBODY ELSE, IS THAT YOUR ASSESSMENT BASED ON THESE EXIT INTERVIEWS THAT WE ARE LOSING OFFICERS BECAUSE OF PAY?

Chief Cocca: MAYOR, COUNCILMAN LITTLEFIELD, THE ANSWER TO THAT QUESTION IS YES.

Councilman Littlefield: THANK YOU.

Mayor Lane: THANK YOU, COUNCILMAN. COUNCILWOMAN MILHAVEN.

Councilwoman Milhaven: THANK YOU, MAYOR. THE FIRST THING I WANT TO TALK ABOUT IS THE 5%. IF WE DID NOT GIVE RAISES FOR FOUR YEARS IT MAKES SENSE THAT PEOPLE WHO ARE HERE AS NEW EMPLOYEES VERSUS SOMEONE WHO'S HERE AT FIVE YEARS ARE GOING TO GET PAID PRETTY CLOSE TO EACH OTHER BECAUSE NOBODY HAS GOT ANY INCREASES. THAT MAKES SENSE THAT IT'S A NARROW BAND. I'M UNDER THE IMPRESSION AND IF I AM MISTAKEN THEN I THE DATA THAT SUPPORTED THAT MOST OF THE OTHER CITIES IN THE REGION HAVE NOT GIVEN RAISES DURING THIS TIME EITHER SO THAT HAVE AN EQUALLY NARROWBAND. IF THAT IS NOT SO THEN I NEED YOU TO GIVE ME THAT INFORMATION. IF YOU'RE TALKING ABOUT LOOKING AT TIME AND GRADE COMPARED TO THE OTHER CITIES THAT WOULD BE AN IMPORTANT CONSIDERATION FOR ME TO LOOK AT PUTTING MORE MONEY ON THE TABLE TO UNDERSTAND WHERE WE SIT COMPETITIVELY. THE OTHER IS I THINK WHATEVER WE MIGHT CONSIDER DOING, IF WE WERE TO CONSIDER ANYTHING WE NEED TO LOOK AT THE ENTIRE PAY BASE BECAUSE PUBLIC SAFETY IS NOT THE ONLY GROUP THAT HASN'T GOTTEN RAISES IN THE LAST FOUR YEARS. IF WE'RE GOING TO HAVE THIS CONVERSATION WE NEED TO BROADEN IT TO ALL EMPLOYEES. SO THAT'S WHERE I AM ON MORE MONEY ON THE TABLE FOR SALARIES AND INCREASES.

I DO HAVE A QUESTION, SO IN OUR PACKET WE HAVE THIS CHART THAT LISTS A LOT OF DETAIL ABOUT WHAT IS AND WHAT IS NOT INCLUDED IN THE BUDGET AND YOUR POWERPOINT PRESENTATION SEEMS TO BE A SUBSET OF WHAT IS ON THIS LIST? SO I GUESS MY QUESTION IS IF IT'S NOT ON YOUR POWERPOINT ARE YOU NOT ASKING FOR IT ANYMORE?

[Time: 03:28:20]

Chief Cocca: MAYOR, COUNCILWOMAN MILHAVEN, THE FIVE THINGS THAT WERE LISTED ON MY POWERPOINT ARE LISTED IN THAT PACKET.

Councilwoman Milhaven: THERE ARE MORE THINGS IN THE PACKET?

Chief Cocca: NOT FROM THE POLICE DEPARTMENT. THERE ARE A LOT MORE THINGS FROM THE OTHER DIVISIONS IN THE CITY.

Councilwoman Milhaven: OKAY. AND THEN SHOULD I ASSUME THAT THEY ARE IN ORDER OF IMPORTANCE?

Chief Cocca: YES, MA'AM.

Councilwoman Milhaven: THANK YOU.

Mayor Lane: THANK YOU, COUNCILWOMAN. JUST TO FOLLOW ALONG A LITTLE SOMETHING THAT WAS SAID WITH REGARD TO THE COMMUNICATION CENTER. I'M WONDERING IF WE ARE IN FACT AND I DON'T KNOW TO WHAT EXTENT IF WE ARE USING OVERTIME OFFICERS, PATROL OFFICERS OR OFFICERS OR SWORN OFFICERS, THERE NEEDS TO BE A FAIRLY SIGNIFICANT TRADE-OFF IF WE WERE TO BRING IN EVEN IF WE WERE TO HIRE TRAINED DISPATCHERS AND SUPERVISORS FROM ELSEWHERE. IF I LOOK AT THESE NUMBERS, IF IT'S THREE DISPATCHERS AND A SUPERVISOR FOR \$276,000 THAT'S RELATIVELY MINOR OR MODEST IN COMPARISON TO WHAT AN OVERTIME OFFICER IN REPLACEMENT OF THOSE FOUR POSITIONS WOULD BE REPLACING. THE NINE MONTHS OF TRAINING, I GUESS I'M A LITTLE PERPLEXED ON THAT TOO. IT SEEMS LIKE AN INORDINATE AMOUNT OF TIME. MAYBE FOR ME IT WOULD TAKE THAT LONG BUT FOR MOST OF THE PEOPLE THAT YOU WOULD HIRE I WOULD THINK THAT IT IS SOMETHING AND I REALIZE IT'S PRESSURE PACKED AND IT CERTAINLY A SPECIFIC TYPE OF PERSON AS WELL AS THE KIND OF TRAINING THAT THEY WOULD WANT TO HAVE FOR THE POSITION. WHEN WE TALK ABOUT THAT ONE, WHICH I FEEL HAS BEEN MENTIONED A NUMBER OF DIFFERENT TIMES AND I THINK IT'S AN IMPORTANT FIELD FOR US. THERE'S TWO THINGS I WOULD WANT TO KNOW IS, HOW ARE WE HANDLING IT RIGHT NOW? ARE WE GETTING COMPLAINTS, DROPPING CALLS, ARE WE REALLY NOT SERVICING THE COMMUNITY WITH THE WAY IT'S SET UP RIGHT NOW. IF WE'VE GOT IT COVERED WITH OVERTIME AND WE WERE TO CHANGE THAT OUT AND I THINK OPERATIONALLY AS YOU MANAGE THE DEPARTMENT SOMEBODY'S GOT TO BE ABLE TO SAY YOU KNOW WHAT, I'M USING OVERTIME. THERE'S GOT TO BE AN EASY PATH TO SAY I NEED TO TAKE THAT FROM OVERTIME JUST FROM THE STANDPOINT OF EFFICIENCY THAT WILL GO TO ANYTHING IF I COULD REPLACE IT AND SAY I MOVED TO A POSITION THAT IS PROPERLY TRAINED AND PROPERLY, NOT THAT THEY ARE NOT DOING THE JOB BUT NEVERTHELESS PROPERLY TRAINED FOR THAT POSITION AND FRANKLY COMPENSATED FOR THAT POSITION. SO I THINK IT'S AN IMPORTANT AREA BUT I GUESS

I WOULD LIKE TO SEE LITTLE BIT MORE SORT OF AN ANALYSIS OF EXACTLY WHAT'S HAPPENING TO UN NOW. IF WE ARE FALLING DOWN IN THIS AREA WITH OVERTIME OFFICERS AND EVERYTHING ELSE, THAT IS OF GREAT CONCERN TO ME. AND SO, IT WOULD REALLY BE A STEP UP ON THE SITUATION. IF IT'S A MATTER OF TRANSFERRING OVER FROM OVERTIME TO FULL-TIME FTES IN THE POSITION, I THINK THAT'S SOMETHING THAT WE SHOULD PROBABLY BE ABLE TO FACILITATE. AS LONG FACILITATE. AS LONG AS WE'RE DOING THE JOB NOW.

[Time: 03:31:37]

Chief Cocca: MAYOR I AGREE WITH YOUR ASSESSMENT THERE. WHAT I WOULD SAY IS NINE MONTHS IS A LONG TIME BUT IT IS NEEDED. I CAN TELL YOU IN MY CAREER COMING UP CLOSE TO 30 YEARS, I'VE ALWAYS HAD AN APPRECIATION FOR DISPATCHERS BUT SINCE I'VE HAD THE MANAGEMENT OF THE COMMUNICATION CENTER WITHIN THE LAST YEAR, I HAVE EVEN A FONDER APPRECIATION FOR WHAT THEY DO. IT IS AN EXTREMELY DIFFICULT TECHNICAL JOB. I GUARANTEE, I COULD NOT DO IT. I'D MUCH RATHER DRIVE AROUND IN THE POLICE CAR AND DO WHAT POLICE OFFICERS DO. IF WE HAD MORE EMPLOYEES AND IF WE WERE FULLY STAFFED, THE OVERTIME OBVIOUSLY WOULD GO DOWN. FRANKLY, THE DISPATCHERS DON'T WANT ANY MORE OVERTIME. THEY HAVE TOO MUCH OVERTIME. THEY'RE TIRED OF WORKING OR THE SWORN OFFICERS. THE GOAL IS TO TRY AND GET PEOPLE THAT ARE PROFICIENT AND CAN GET THROUGH THE TRAINING PROCESS. IT'S PRETTY RIGOROUS. WE HAVE THE NINE-MONTH PROCESS, IT TAKES A LONG TIME TO FIGURE OUT THAT ENTIRE JOB. IT IS VERY, VERY COMPLICATED. THERE ARE A FEW SCREENS THEY HAVE TO WATCH. I CAN BARELY WATCH MY ONE. IT'S A VERY, VERY TOUGH JOB.

Mayor Lane: AND ONE OTHER THING I JUST WANTED TO MAKE SURE I WAS CLEAR ON IS THAT IT DOES SAY THAT SINCE 2008/2009, 16 POSITIONS HAVE BEEN ELIMINATED. THAT WAS BY DESIGN, I PRESUME?

Chief Cocca: YES IT WAS. DUE TO THE BUDGET ISSUES THE CITY WAS HAVING, WE HAD TO MAKE SOME DECISIONS. WE THOUGHT WE WOULD BE FINE RELATED TO GETTING THAT FAR DOWN WITHIN THE COMMUNICATIONS CENTER. HOWEVER, WE JUST THINK WE WENT JUST A LITTLE BIT TOO FAR WITH ELIMINATING 16 POSITIONS.

Mayor Lane: AND YOU ALSO MENTIONED THE NUMBER OF CALLS HAD ACTUALLY DECLINED AND I'M NOT SURE HOW THAT HAPPENS OR WHAT SORT OF, LENDS TO THAT KIND OF SITUATION AND I'LL JUST THROW ANOTHER QUESTION ON TOP OF THAT SAME QUESTION, THAT IS HAVE WE, DO WE RESTRICT PEOPLE WHO ARE NONEMERGENCY CALLING IN THE 911?

Chief Cocca: MAYOR, IF SOMEONE CALLS IN ON 911 AND IT IS NOT AN EMERGENCY WE ASK THEM TO CALL ON THE NONEMERGENCY LINE TO FREE UP THAT LINE.

[Time: 03:34:03]

Mayor Lane: SO THERE'S A FEW MOMENTS TO DO THAT EXCHANGE BUT WE DO ENFORCE THAT.

Chief Cocca: YES SIR.

Mayor Lane: AND TO THE OTHER POINT I MADE I SUPPOSE THAT IF IT WAS BY DESIGN, MAYBE IT SOUNDS LIKE A FAIRLY DRAMATIC, I DON'T KNOW WHAT YOU TOLD ME WHAT WITH THE FULL COMPLEMENT WAS OR WHAT YOU TOLD US WHAT THE FULL COMPLEMENT WAS BEFORE WE REDUCED IT BY 16.

Chief Cocca: MAYOR, IT WAS 45.

Mayor Lane: FAIRLY SUBSTANTIAL. WE'RE TALKING ABOUT ALMOST A BIT MORE THAN THE 30% REDUCTION.

Chief Cocca: I KNEW I HAD THE NUMBER OF CALLS IN HERE, MAYOR. JUST TO LET YOU KNOW IN ACTUAL CALLS FOR SERVICE IN FISCAL YEAR 11/12 WERE JUST ABOVE 299,000 CALLS. WE ARE PROJECTED FOR 2013/2014 TO BE JUST UNDER 286,000 CALLS, SO IT'S A REDUCTION OF ABOUT 13,000 CALLS THAT WERE RECEIVED INTO THE DISPATCH CENTER.

Mayor Lane: OKAY.

Chief Cocca: YOU'RE TALKING CLOSE TO 300,000 CALLS. IT IS A REDUCTION BUT IT'S NOT A HUGE PERCENTAGE.

[Time: 03:35:12]

Mayor Lane: OKAY. I UNDERSTAND. AND THANK YOU VERY MUCH, CHIEF. MR. WORTH, DID YOU HAVE A COMMENT OR QUESTION?

Acting City Manager Dan Worth: MAYOR, MEMBERS OF COUNCIL, I JUST WANTED TO MAKE ONE ADDITIONAL OBSERVATION ON THE DISPATCHER ISSUE. ONE OF THE THINGS THAT COMPLICATES THE ISSUE OF HOW MANY IS THE RIGHT NUMBER TO BE STAFFED WITH IS OUR INABILITY OVER THE RECENT PAST TO ACTUALLY FILL THE STAFFING IN THE DISPATCH CENTER. LAST YEAR WE HAD AN EXTRAORDINARILY HIGH LEVEL OF TURNOVER. WE LOST NINE DISPATCHERS OUT OF THE 39 AUTHORIZED POSITIONS OVER THE COURSE OF THE YEAR, ALMOST 25% TURNOVER. YET AT THE TIME THAT WE CONSIDERED THIS BUDGET REQUEST IT LOOKED LIKE THAT WAS STABILIZING AND WE'RE GOING TO HAVE THE OPPORTUNITY TO SEE WHAT YOU CAN DO WITH A FULLY STAFFED DISPATCH CENTER, AND THEN THIS MONTH WE ACTUALLY LOST FOUR DISPATCHERS THIS MONTH, THREE OF THEM WERE IN THAT INITIAL TRAINING PERIOD. WE HAVE NOT REALLY DONE THE ANALYSIS TO FIGURE OUT WHY, WE WENT THROUGH THE EXIT INTERVIEWS TO ANALYZE IF THERE'S SOMETHING SYSTEMIC. IT'S HARD TO SAY THAT WE NEED NEW POSITIONS WHERE WE HAVE NOT ACTUALLY BEEN ABLE TO OPERATE WITH THE NUMBER OF POSITIONS THAT WE ARE SUPPOSED TO HAVE FOR OR SINCE THE REDUCTION. IT JUST COMPLICATES THE MATTER.

Mayor Lane: MR. WORTH, I GUESS ONE OF THE THINGS THAT JUST CAME UP AS I WAS ASKING THE QUESTION ABOUT WHETHER OR NOT YOU CAN TRANSITION FROM OVERTIME TO A FULL-TIME EMPLOYEE IN A POSITION, I WAS COMPARING COSTS OF ONE OVERTIME POSITION FOR AN OFFICER VERSUS A REPLACEMENT AND CHIEF, I THINK UNDERSTANDABLY YOU MENTION THE FACT THAT THE

AUTHORIZATION OF FTES, EVEN IN THAT TRANSITION IF WE WERE TO PUT ASIDE FOR A MOMENT NINE MONTHS OF TRAINING, IF WE ARE ABLE TO ACTUALLY TRANSITION THROUGH SOME AGGRESSIVE ACTION TO MOVE OUT OF OVERTIME COSTS INTO A FULL-TIME STRAIGHT TIME TYPE OF POSITION , IS THAT SOMETHING WE CAN DO IN THE COURSE OF MANAGING THE AREA OR IS IT SOMETHING THAT REALLY REQUIRES SOMETHING FOR THIS COUNCIL TO DECIDE?

[Time: 03:37:23]

Dan Worth: THE STAFFING AND THE OVERTIME IN THE DISPATCH CENTER HAS BEEN ONE OF THE BIG DRIVERS OF POLICE OVERTIME OVER THE COURSE OF THIS YEAR. WE'VE BEEN WATCHING IT VERY CLOSELY ALL YEAR BECAUSE OF THAT. IT IS RELATIVELY INTUITIVE. IF YOU CAN STAFF THE POSITIONS, YOUR OVERTIME COSTS ARE EITHER BRINGING IN SWORN OFFICERS OR ASKING DISPATCHERS TO WORK OVERTIME, YOUR OVERTIME COSTS GO DOWN. YOU COME OUT AHEAD IF YOU CAN TRADE FULL STAFF POSITIONS IF YOU CAN TRADE FOR THOSE OVERTIME HOURS. THAT IS CERTAINLY THE GOAL. THE DIFFICULTY HAS BEEN MAINTAINING THE FULL STAFF.

Mayor Lane: AND I UNDERSTAND THAT. I GUESS JUST TO TRY TO MAKE MYSELF A LITTLE CLEARER ON THAT. DO WE HAVE TO AUTHORIZE FTE POSITIONS IN ORDER TO FACILITATE THAT TRANSFER FROM OVERTIME TO AN AUTHORIZED POSITION OR CAN MANAGEMENT SAY YOU KNOW WHAT, WE NEED TO GET RID OF THIS OVERTIME SITUATION AND WE CAN DO IT BY HIRING SOMEBODY. IS THAT SOMETHING THAT IS WITHIN THEIR CONTROL TO DO? WITHOUT TAGGING FOUR MORE FTES AND SAY HEY GO AHEAD AND PUT FOUR MORE FTES AND THEREBY TRANSITION OUT OF YOUR OVERTIME INTO THE FTE.

Dan Worth: MAYOR, WE CERTAINLY HAVE A LOT OF ABILITY WITH SEVEN VACANT POSITIONS THAT WE CAN RECRUIT FOR, HIRE FOR, TRAIN FOR, TO EVENTUALLY REDUCE THE OVERTIME DEMANDS WITHOUT ANY FURTHER COUNCIL ACTION. WHAT IS UNKNOWN IS WHETHER WE REALLY NEED ADDITIONAL FTES AND WHAT EFFECT THAT WOULD BE AND OF COURSE THAT WOULD REQUIRE COUNCIL ACTION THROUGH THE BUDGET.

Mayor Lane: THANK YOU VERY MUCH. THANKS, CHIEF. COUNCILMEMBER KORTE.

Councilmember Korte: THANK YOU MAYOR. CHIEF, IT SEEMS THAT THE HIGH RATE OF TURNOVER IS WHAT HAS EXACERBATED OUR ISSUES HERE AT THE POLICE DEPARTMENT. AM I CORRECT WITH THAT?

Chief Cocca: MAYOR, COUNCILMEMBER KORTE, WE NEVER LIKE TO LOSE A VALUED MEMBER OF THE ORGANIZATION. WE SPENT A LOT OF TIME AND EFFORT TRAINING THEM, PROVIDING SERVICE TO THE COMMUNITY SO THAT THE TURNOVER IS CONCERNING TO US AS MANAGEMENT. YES, IT IS.

Councilmember Korte: AND CERTAINLY SOME OF THOSE INDIVIDUALS THAT HAVE LEFT HAVE RETIRED OR THEY HAVE GOTTEN SOME GREAT NEW JOBS AS WE KNOW FROM COMMANDER CERVANTES, GOOD FOR HIM. THOUGH SOME HAVE MOVED Laterally SO I GUESS WHAT I'M, MY POINT HERE IS THAT WE NEED TO REALLY ANSWER THE QUESTION OF WHY WE ARE LOSING SO MANY OFFICERS. IS IT AS ONE OF THE QUESTIONS POSED? IS IT BECAUSE OF COMPENSATION AND IF IT IS BECAUSE OF COMPENSATION THEN WHAT IS THE COST TO FIX IT?

[Time: 03:40:32]

Chief Cocca: MAYOR, COUNCILMEMBER KORTE, WE TRIED TO DO EXIT INTERVIEWS WITH EVERY EMPLOYEE. SOMETIMES THEY DO NOT GRANT US AN EXIT INTERVIEW. WE HAVE NOT BEEN LOSING SWORN OFFICERS TO OTHER AGENCIES, PER SE. WE'VE BEEN LOSING THEM TO THE PRIVATE SECTOR FOR MORE MONEY. WE HAVE LOST A COUPLE TO OTHER AGENCIES AND LIKE YOU SAID WE HAVE OTHERS THAT ARE NORMAL RETIREMENT GOT ANOTHER JOB AND BETTER PROMOTION, COMMANDER CERVANTES WENT TO CASAGRANDE AND BECAME THE POLICE CHIEF. IT RUNS THE GAMUT. A COUPLE OF THESE OFFICERS I SPOKE TO MYSELF TO FIND OUT THE REASON AND IT BOILED DOWN TO THEY WERE BOTH HERE OVER A DECADE, IT BOILED DOWN TO SOME OPPORTUNITIES AFFORDED THEM IN A SIMILAR FIELD BUT OUTSIDE OF POLICE WORK FOR MORE MONEY.

Councilmember Korte: THANK YOU.

Mayor Lane: THANK YOU, COUNCILWOMAN, AND VICE MAYOR KLAPP.

Vice Mayor Klapp: THE MAYOR WAS GETTING AT WHAT I WAS ASKING ABOUT TOO, THE 911 CALL CENTER AND WHAT KIND OF PROBLEM IS CREATED BY HAVING SO MANY VACANCIES AND YOUR IDENTIFYING A NEED FOR HIRING. I'M NOT CLEAR YET WHETHER OR NOT THERE IS NO NEED AND IT'S JUST BECAUSE THERE'S VACANCIES AND THE VACANCIES NEED TO BE FILLED. IT SEEMS TO ME THAT WITH THE REDUCTIONS IN 911 HAVE GONE ON OVER THE LAST NUMBER OF YEARS, I HAVE TO RELY ON THE PERSON WHO RUNS THE DEPARTMENT TO GIVE ME FACTS. IF YOU ARE TELLING ME THAT YOU FEEL THAT YOU HAVE CUT TOO MUCH AND THAT THERE IS A NEED FOR MORE DISPATCHERS IN ORDER TO ALLEVIATE THE PROBLEM, AND EVENTUALLY GET RID OF OVERTIME, THEN I HAVE TO TAKE THAT SERIOUSLY. BECAUSE IN ANY KIND OF OPERATION LIKE THIS, IF YOU'RE RUNNING A LOT OF OVERTIME IT'S TYPICALLY BECAUSE YOU DON'T HAVE ENOUGH PEOPLE. AND YES YOU'VE GOT PEOPLE IN TRAINING AND SURE YOU'RE LOSING MORE, BUT WE'VE GOT THIS CATCH-22 SITUATION GOING HERE ALMOST THAT I FEEL THAT YOU'RE LISTENING TO WHAT'S GOING ON IN THE DEPARTMENT. SOME PEOPLE ARE LEAVING BECAUSE THEY DON'T FEEL SECURE. THEY FEEL THAT THE DEPARTMENT IS CUT BEING MORE THAN IT'S BEING EXPANDED, THEY KNOW HOW MANY CALLS THEY ARE TAKING AND THEY KNOW HOW MANY POSITIONS ARE BEING FILLED TEMPORARILY. SO IF ANOTHER JOB COMES ALONG THEY PROBABLY TAKE IT. IT WOULD APPEAR TO ME THAT WE WOULD HAVE TO PUT A LITTLE BIT MORE ATTENTION ON THE 911 CENTER. PERHAPS I WOULD AGAIN ASK AS WE DID IN THE LAST DISCUSSION ON THE COURT SYSTEM, ASK THE CITY MANAGER IF YOU WILL TAKE A LOOK AT AND AND A QUICK ANALYSIS IF IT CAN BE DONE TO SEE IF WE DID GO WITH THREE DISPATCHERS OR TWO OR ONE. DO WE NEED TO ADD MORE DISPATCHERS? I THINK WE DO. BASED ON WHAT I'VE HEARD AND ASKING QUESTIONS REGARDING THIS, AND HEARING ABOUT THE NUMBER OF PEOPLE THAT ARE IN TRAINING, WE MAY FILL SOME OF THOSE POSITIONS THAT ARE NEEDED NOW AND OTHERS WILL LEAVE. SO IT SOUNDS TO ME BUT WE'VE GOT A PROBLEM THAT WE HAVE TOO FEW PEOPLE IN THE DEPARTMENT TO HANDLE THE WORKLOAD.

Chief Cocca: MAYOR, VICE MAYOR KLAPP I DO AGREE WITH THE CITY MANAGER. IT'S MUCH EASIER TO TELL WHERE WE STAND IF WE HAD THOSE POSITIONS FILLED THAN WHEN WE WERE AT ON OUR OVERTIME EXPENDITURES. WHAT I CAN GO BY IS SOME HISTORICAL OF HOW MANY POSITIONS WE

HAD AUTHORIZED BACK AND 2008 AND 2009 AND ALL THE POSITIONS WERE NOT FILLED THEN. WE ALSO HAD SOME OF THE SAME ISSUES, NOT AS BAD AS WE HAVE NOW BUT SOME OF THE SAME ISSUES IN DISPATCH. NOT EVERY FULL-TIME EMPLOYEE WHEN THEY WERE AUTHORIZED EITHER. I DON'T HAVE THE ABILITY TO TRAIN 12 PEOPLE ALL AT ONCE. IT WOULD HAVE TO BE DONE IN STEPS ANYWAY. I DON'T HAVE ENOUGH TRAINERS TO DO THAT.

[Time: 03:44:55]

Vice Mayor Klapp: I GET THAT BUT OVER THE COURSE OF TIME WHEN THE TRAINING TAKES PLACE, LOGICALLY YOU WOULD THINK THAT THE OVERTIME IS GOING TO GO DOWN. IT MAKES NO SENSE TO ME TO CONTINUALLY STAFF A DEPARTMENTS ARE OVERTIME. THAT'S AN UNNECESSARY COST. THERE NEEDS TO BE ENOUGH ACTUAL PEOPLE ON THE JOB SO THAT YOU DON'T HAVE TO DRAW SO MUCH, I MEAN YOU'RE TAKING OFFICERS OFF THE STREET TO FILL DISPATCH. THAT'S NOT A GOOD THING.

Chief Cocca: MAYOR, VICE MAYOR KLAPP, WE DON'T PULL SWORN OFFICERS OFF THE STREET ON THEIR NORMAL ASSIGNMENT. THEY ARE DOING THAT ON OVERTIME. I HAVE TO MOVE SOME POLICE ASSISTANCE IN THERE AS THEIR FULLTIME ASSIGNMENT ON A ATEMPORARY BASIS.

Vice Mayor Klapp: I UNDERSTAND. BUT YOU'RE TAKING PEOPLE THAT ARE TRAINED FOR DIFFERENT POSITIONS AND PUTTING THEM IN THE DISPATCH JOB AND I DON'T THINK IT'S GOOD PRACTICE. IT SEEMS THAT WE OUGHT TO BE LOOKING AT THE DISPATCH AREA AND AT LEAST DETERMINING IF WE HAVE TO HIRE AT LEAST ONE PERSON, MAYBE NOT THREE BUT AT LEAST ONE TO MAKE A STEP FORWARD IN TRYING TO REDUCE OVERTIME.

Chief Cocca: MAYOR, VICE MAYOR KLAPP, I AGREE WITH YOU 100%. WE ARE HIRING SO IF YOU KNOW ANYBODY THAT WANTS TO BE A DISPATCHER.

Vice Mayor Klapp: BUT YOU DO HAVE IN YOUR REQUEST AN ADDITIONAL, IS NOT JUST A HIRE, YOU WANT TO ADD AN FTE TO THE DEPARTMENT AND THAT'S WHAT I'M TALKING ABOUT. ADDING AN FTE IS SOMETHING WE OUGHT TO BE LOOKING AT.

Mayor Lane: THANK YOU, VICE MAYOR AND COUNCILMAN LITTLEFIELD.

Councilman Littlefield: I THINK IT'S IMPORTANT NOT TO MISS THE FOREST FOR THE TREES HERE. WE TALKED ABOUT HOW MANY FTES. THE PROBLEM IS NOT THAT YOU DON'T HAVE ENOUGH SLOTS, IT'S THAT YOU'RE HAVING A PROBLEM RECRUITING AND RETAINING PEOPLE IN THOSE SLOTS. THAT'S PRETTY CLEAR BECAUSE YOU'RE CONSISTENTLY DOWN FROM WHERE YOU NEED TO BE. SO IT'S OBVIOUS THAT IF WE WANT TO FIX THIS PROBLEM, YOU CAN'T GO ON FOREVER DEALING WITH THIS ISSUE THROUGH OVERTIME, EITHER THROUGH DISPATCHERS OR OFFICERS GOING IN FOR DISPATCHERS. BECAUSE NOT ONLY IS THAT RIDICULOUSLY EXPENSIVE, WE'VE ALREADY BEEN THROUGH THAT, POLICE DEPARTMENT OVERTIME BEING A PROBLEM EARLIER THIS YEAR, BUT AT THE SAME TIME AND JUST POINTED OUT IT'S BAD FOR MORALE AND IT'S HARD ON PEOPLE. IT SEEMS TO ME THAT WHEN YOU CLEAR OUT ALL THE DEBRIS AND BRUSH HERE, THE ISSUE IS TO GET DOWN TO WHY ARE WE HAVING A HARD TIME RECRUITING AND RETAINING PEOPLE FOR THESE POSITIONS. THAT'S REALLY THE ONLY QUESTION HERE. I SUSPECT IT'S MONEY AND THAT TRANSLATES INTO

WORKING CONDITIONS BECAUSE WHEN YOU HAVE TOO FEW PEOPLE DOING TOO MUCH WORK THEIR STRESS LEVEL INCREASES. I THINK THE NUMBER ONE ISSUE TO THIS IS TO IDENTIFY WHY PEOPLE ARE LEAVING OR WHY THEY ARE NOT BEING HIRED IN THE FIRST PLACE AND THEN FIX THAT. THAT'S THE PROBLEM. EVERYTHING ELSE IS JUST EYEWASH. THAT'S THE ISSUE AND THEN WHEN YOU THROW IN THE TRAINING TIMES WHICH JUST EXACERBATES THE PROBLEMS BECAUSE YOU CAN'T PLUCK SOMEBODY AWAY, MAYBE WE COULD PLUCK SOMEBODY AWAY. WHY ARE WE STEALING POLICE FROM OTHER AGENCIES? AS OPPOSED TO OTHER AGENCIES STEALING POLICE FROM US? TO ME, THAT'S THE NUMBER ONE ISSUE HERE. WHY ARE WE HAVING TROUBLE RECRUITING AND RETAINING THESE PEOPLE? UNTIL WE GET TO THE BOTTOM OF THAT AND I SUSPECT I KNOW THE ANSWER, I SUSPECT IT'S MONEY BUT UNTIL WE FIX THAT, THIS THING IS JUST GOING TO GO ON AND ON AND SNOWBALL AND GET WORSE.

Mayor Lane: THANK YOU, COUNCILMAN. COUNCILWOMAN MILHAVEN.

[Time: 03:48:51]

Councilwoman Milhaven: THANK YOU, MAYOR. I JUST WANT TO AGREE WITH WHAT VICE MAYOR KLAPP WAS SAYING, I WOULD MUCH RATHER PAY THE RIGHT PERSON THE RIGHT SALARY FOR THE RIGHT JOB AND NOT PAY OVERTIME THAT YOU NEED TO ADD STAFF TO MAKE THAT HAPPEN, I'M IN CERTAINLY SUPPORT OF THAT. I ALSO IMAGINE YOU SHOULD BE ABLE TO, BASED ON YOUR ANTICIPATED CALL VOLUMES, I KNOW THERE ARE STAFFING MODELS FOR CALL CENTERS THAT SHOW MANY FOLKS WOULD YOU NEED THAT MIGHT ALSO SUPPORT HOW MANY PEOPLE YOU NEED IN THE DISPATCH CENTER. I ALSO WANT TO COME BACK TO AND I DON'T KNOW IF I'M LOOKING AT THE RIGHT PAGE SO IN THE BUDGET BOOK ON PAGE 181 IT SAYS PUBLIC SAFETY POLICE, TOTAL FTE FOR THE CURRENT YEAR IS 600, FOR NEXT YEAR'S 596. AM I LOOKING AT THE RIGHT NUMBER FOR THE POLICE ROLL UP? YES? IT SAYS YOU'RE GOING TO GO DOWN FOUR FTES SO WE'RE HAVING A LONG CONVERSATION ABOUT THREE DISPATCHERS, BUT IT LOOKS LIKE YOUR TOTAL FTE IS GOING DOWN. SO ANYWAY SO I WANT TO UNDERSTAND WHY THAT WOULD BE BECAUSE WE JUSTWE ALLOCATED THE FTE UP TO HAVE WHAT YOU NEED.

Chief Cocca: MAYOR, COUNCILWOMAN MILHAVEN, WHAT WE DID IS WE MOVED SOME POSITIONS FROM THE POLICE DEPARTMENT BUDGET INTO A PUBLIC SAFETY BUDGET. THE POSITIONS STAYED THE SAME AND WHERE THEY MOVED WENT TO DIFFERENT PLACES. THERE ARE SOME POSITIONS THAT CAME OUT OF FIRE THAT WENT INTO PUBLIC SAFETY. THERE ARE SEVEN POSITIONS THAT CAME OUT OF THE FIRE DEPARTMENT THAT WENT INTO THE PUBLIC SAFETY SILO AND THE POLICE DEPARTMENT SILO, THERE ARE 71 POSITIONS THAT MOVED OUT OF THE POLICE DEPARTMENT SILO INTO THE PUBLIC SAFETY SILO.

Councilwoman Milhaven: AND YOU WOULD NOT TAKE THAT OUT OF THE HISTORY?

Chief Cocca: PARDON ME, MA'AM?

Councilwoman Milhaven: I WOULD THINK IF YOU MOVE 71 POSITIONS IN THE CURRENT BUDGET YEAR YOUWOULD HAVE BACKED IT OUT OF THE HISTORY AS WELL ,OR I WOULD'VE SEEN 71 FTE REDUCTION YEAR OVER YEAR IN POLICE. ANYWAY, YOU DON'T HAVE TO HAVE THE ANSWER RIGHT NOW, IT'S NOT

CLEAR WHY YOU'RE GOING DOWN AND IF THERE WAS A TRANSFER FUNCTION FROM ONE TO ANOTHER I WOULD IMAGINE THAT YEAR-TO-YEAR COMPARISONS WOULD BE ADJUSTED TO REFLECT THAT AS IF IT HAS BEEN ALWAYS THERE. IF I LOOK AT THE 596, THAT'S THE RIGHT FTE NUMBER AND I HEARD YOU SAY EARLIER 45 PEOPLE OUT OF POLICE THIS YEAR? IS THAT ABOUT RIGHT? THAT LEFT?

Chief Cocca: CURRENTLY SO FAR THIS YEAR, WE HAVE 45 TOTAL EMPLOYEES THROUGH THE END OF MARCH THAT OF LEFT IN THE FISCAL YEAR.

[Time: 03:51:31]

Councilwoman Milhaven: OUT OF THAT 600, THAT ABOUT RIGHT?

Chief Cocca: A LITTLE MORE THAN THAT, ABOUT 667.

Councilwoman Milhaven: BECAUSE WHEN I DO THE MATH IT'S 600. I DON'T KNOW A LOT ABOUT PUBLIC SAFETY BUT 7.5% TURNOVER EVEN IF YOU ANNUALIZE IT AND SAY 10% IT IS A PRETTY GOOD RETENTION RATE, SO AT LEAST IN THE WORLD I GREW UP IN. WHAT IS A REASONABLE TURNOVER RATE FOR POLICE?

Chief Cocca: MAYOR, COUNCILWOMAN MILHAVEN, I WOULD LIKE IT BELOW 5%. WE HAVE SOME NORMAL ATTRITION, NORMAL THINGS THAT HAPPENED, RETIREMENT, PEOPLE WANT TO MOVE AND THINGS LIKE THAT THAT NORMALLY HAPPEN. BUT IT'S BEEN MY EXPERIENCE THAT ONCE AN EMPLOYEE IS THERE FOR A WHILE THAT THEY TEND TO STAY AND TEND TO MAKE IT A CAREER WITH THE CITY.

Councilwoman Milhaven: SO THAT'S FASCINATING SO FOLKS CAN RETIRE AT 20 YEARS, WITH FULL BENEFITS. IS THAT RIGHT OR DO THEY CONTINUE TO ACCRUE RETIREMENT BENEFITS AFTER 20 YEARS.

Chief Cocca: MAYOR, COUNCILWOMAN, THEY DO ACCRUE RETIREMENT AFTER 20 YEARS. YOU ARE ELIGIBLE FOR PUBLIC SAFETY RETIREMENT IF YOU WERE HIRED PRIOR TO JANUARY 2012 AT 20 YEARS.

Councilwoman Milhaven: SO THIS MAY BE REALLY A GROSS EXAGGERATION OF BUT THE FOLKS WHO RETIRE AFTER 20 YEARS AND EACH YEAR 120TH RETIRES THAT'S 5% OF THE WORKFORCE, SO THAT'S SAYING THEY'RE EFFECTIVELY RETIRING. YOU WANT THE TURNOVER RATE TO BE LOWER THAN WHAT THE EFFECTIVE RETIREMENT RATE WOULD BE, AND SO IF I'M NOT LOOKING AT THAT CORRECTLY, GIVE ME SOME MORE. BUT THANK YOU.

Mayor Lane: THANK YOU, COUNCILWOMAN. I WOULD HAVE TO JUST AGREE THAT IN MOST ANY WORLD I SUPPOSE 7.5%, IF YOU CHANGE THAT NUMERATOR THERE IT'S GOING TO BE LESS YET. IT'S A VERY, VERY FAVORABLE RATE. I GUESS MY OTHER QUESTION WAS THE NORMAL THINGS WHEN YOU SAY THE NORMAL THINGS, RETIREMENT, SOMEBODY TAKING A JOB, JUST AS JOHN JUST DID TO ANOTHER COMMUNITY AND THOSE KINDS OF THINGS WHICH I WOULD CONSIDER NORMAL THINGS, AND WE WOULD CERTAINLY LOOK FOR THE BENEFIT OF ANYONE WHO'S WORKING FOR THE CITY OF SCOTTSDALE TO BE ABLE TO TAKE ADVANTAGE OF. BUT IF THOSE ARE NOT INCLUDED IN THE 45, AND I'M PRESUMING THEY ARE NOT?

[Time: 03:54:17]

Chief Cocca: THEY ARE INCLUDED IN THE 45. TO GIVE YOU AN EXAMPLE, THERE'S A NUMBER OF PEOPLE THAT WE KNOW WILL BE LEAVING IN 2014. THEY ALREADY TOLD US THIS IS MY DATE, I PLAN ON LEAVING ON THIS DATE, JUST SO YOU KNOW AND YOU NEED TO PLAN AHEAD. THERE SOME THAT ARE HAVE ALREADY MADE THAT DECISION FOR 2015. THE 45 NUMBER DOES INCLUDE THOSE THAT WE KNEW WERE GOING TO RETIRE, OR RETIRED BECAUSE THEY WERE ALLOWED TO RETIRE.

Mayor Lane: AND YOU KNOW, CHIEF, WE WERE GIVEN SOME TIME AGO A SHEET ABOUT WHAT THE NORMAL ATTRITION WAS THROUGH THE YEARS. AND IT SEEMS LIKE IT'S BEEN FAIRLY STEADY EXCEPT THAT DURING VERY LOW TIMES, IN THE VERY TOUGHEST OF TIMES WITH THE GRAND RECESSION THAT IT TIGHTENED UP A LITTLE BIT. BUT OTHER THAN THAT IT SEEMED TO BE FAIRLY CONSISTENT. I WOULD SAY ONE QUESTION THAT I WOULD ASK, I SUPPOSE BECAUSE IT GOES TO AN OVERALL CONCERN THAT WAS MENTIONED HERE, AND SOME OF THE TESTIMONY. THAT IS WITH THE AVAILABLE ALLOCATION OF COMPENSATION INCREASED THE FUNDING FOR COMPENSATION INCREASES, IS THE POLICE DEPARTMENT GOING TO BE ABLE TO SOLVE, SOME, ALL, PART OF THE ISSUES THAT HAVE COME UP AS FAR AS RETENTION IS CONCERNED WHICH I GUESS WE ARE LITTLE IN AWE OF WHERE IT'S AT RIGHT NOW, WILL IT BE ABLE TO MANAGE THOSE FUNDS APPROPRIATELY UNDER SORT OF A MERIT AND EVEN SALARIES WITHIN GRADES. IS THERE SOME ABILITY TO ADDRESS THOSE ISSUES WITH THAT ALLOCATION, LET ME JUST LEAVE IT AT THAT?

Chief Cocca: MAYOR, WHAT I WOULD SAY RELATED TO THAT, AS I MENTIONED BEFORE THE 105% ALLOWED US TO BECOME COMPETITIVE AT THE STARTING RATE. RELATED TO THE 2% IT DEPENDS ON WHAT OUR PEER AGENCIES ARE GOING TO DO THIS YEAR. SOME OF THEM HAVE ALREADY MENTIONED HOW ARE WE GOING TO COMPARE WITH THE REST OF OUR PEER AGENCIES WHEN THEY GO THROUGH WHATEVER.

Mayor Lane: I'M TALKING, CHIEF, PARDON ME FOR INTERRUPTING YOU. WHAT I'M REALLY TALKING ABOUT WHAT'S HAPPENING HERE INTERNALLY WHEN WHAT WE TALKED ABOUT THE PROBLEMS THAT THE 105% PRESENTED, BY VIRTUE OF THAT MOVEMENT IN REMEMBERING THAT LAST YEAR WE DID 2% ON TOP OF THAT ACROSS THE BOARD PRETTY MUCH. I KNOW THE ALLOCATION RIGHT NOW IS LIMITED BUT IF WE ARE SELECTIVE OR IF WE ADDRESS THE ISSUES THAT WE UNDERSTAND EXIST OUT THERE, SEEMS LIKE WITH SOME SOLID MANAGEMENT OF THE PROBLEMS AND ALLOCATION OF THOSE FUNDS WE WOULD AT LEAST BE ABLE TO ADDRESS SOME THE ISSUES THAT MAY BE PRESENTED BECAUSE WE DID CORRECT, ACCORDING TO WHAT'S BEEN INDICATED WE CORRECTED A SITUATION ON THE AVERAGE MINIMUM ON THE START. BUT NOW WE HAVE THOSE PEOPLE AND THOSE OFFICERS AND FRANKLY STAFF THAT WE ARE LOOKING TO RETAIN. WE DON'T WANT THEM TO BE TOO CLOSE TO WHAT WE'VE MOVED EVERYBODY UP. ALSO I SUPPOSE I UNDERSTAND WE'VE CHANGED THE GRADES AND WE'VE CHANGED THE RANGES WITHIN GRADE. SO WILL THE ALLOCATED FUNDS BE ABLE TO ADDRESS SOME OF THAT ISSUE SO WE ARE IN A BETTER POSITION THAN WE ARE RIGHT NOW? IS THIS NOT WITHSTANDING WHAT HAPPENS WITH SOME OF THE COMMUNITIES AND I KNOW THERE ARE CERTAIN THINGS OUT THERE THAT ARE STIRRING THAT UP AS WELL. BUT JUST IN THE GIVEN PLACE WE ARE RIGHT NOW, NOT IN ANTICIPATION BUT WILL WE BE ABLE TO ADDRESS SOME OF THAT?

Chief Cocca: MAYOR, I THINK THE WAY I WOULD ANSWER THAT ANYTHING OFF OF ZERO IS A GOOD STEP.

[Time: 03:58:12]

Mayor Lane: OKAY. NOW AGAIN IT BECOMES MANAGEMENT'S JUDGMENT AS TO WHERE TO APPLY THESE FUNDS. I WOULD HOPE THAT WE WOULD BE ABLE TO DO BETTER THAN JUST OFF OF ZERO AND MAYBE BETTER THAN THE PERCENTAGE THAT WE ARE TALKING ABOUT WORKING WITH. THE OTHER IS THE COMMUNICATION CENTER. I AM STILL CONFUSED MYSELF AS TO EXACTLY HOW WE GET THIS IN ORDER. IS IT MONEY? I KNOW THERE'S BEEN A PRESUMPTION WE ARE NOT PAYING THE COMMUNICATION CENTER EMPLOYEES ENOUGH. SO IS THAT WHY WE CAN'T HIRE THEM OR WHY THEY DON'T STAY OR IS THAT THE ENVIRONMENT OF OVERTIME AND EXHAUSTION AND MAYBE DISREGARD? OR MAYBE THE WAY IT'S MANAGED?

Chief Cocca: I CAN TELL YOU WE DID DO AN EXIT INTERVIEW ON TWO RECENT. ONE OF THEM WENT BOTH OF THEM WENT TO ANOTHER GOVERNMENT AGENCY.

Mayor Lane: IN THE SAME FIELD?

Chief Cocca: ONE OF THEM IN THE SAME FIELD, ONE WENT TO A COURT IN ANOTHER CITY JURISDICTION AND BASICALLY THEIR INFORMATION THEY GAVE US IS IT DID HAVE TO DO WITH MONEY. IT HAD TO DO WITH TRAVEL TIME, GAS, THEY MADE MORE MONEY, THOSE ISSUES.

Mayor Lane: MAYBE USING SOME OF THAT ALLOCATION FOR COMPENSATION INCREASE MAYBE NEEDS TO BE APPLIED IN THIS AREA IF THAT'S THE CASE. FROM LISTENING TO EVERYBODY TALK ABOUT THIS AREA OF THINGS IT STARTS TO REMIND ME OF AIR TRAFFIC CONTROLLERS. THEY SAY IT'S A TOUGH ENVIRONMENT BUT IT TOOK A BIG CHANGE TO SORT OF GET INTO A POSITION WHERE IT WEIGHED IN PROPERLY BECAUSE IT'S A HIGH STRESS SITUATION. AND I'M PRESUMING THERE IS A LEVEL OF HIGH STRESS THAT'S ASSOCIATED WITH HOURS UPON HOURS OF DOLDRUMS AND 30 SECONDS OF TERROR.

Chief Cocca: IT IS A VERY STRESSFUL JOB, EXTREMELY STRESSFUL. THEY'RE DEALING WITH EXTREMELY STRESSFUL SITUATIONS AND IT'S NOT INTERPERSONAL CONTACT. IT STRICTLY VOICE AND SOMETIMES THEY DON'T KNOW WHAT HAPPENED AFTER THE FACT AND AFTER THEY'RE OFF THE PHONE. THEY DON'T GET THE INFORMATION BACK TILL HOURS AND HOURS LATER.

Mayor Lane: I UNDERSTAND. THANK YOU VERY MUCH FOR THE PRESENTATION AND I THINK WE ARE SPENT ON QUESTIONS AND I THINK THERE'S BEEN NOTES TAKEN ON WHAT WE'VE INDICATED HERE AND HOPEFULLY WE HAVE GIVEN SOME DIRECTION.

THANK YOU VERY MUCH, CHIEF. I APPRECIATE ALL OF YOUR TIME AND YOUR RESPONSES. NOW WE HAVE PUBLIC SAFETY FIRE AND OF COURSE WE HAVE ANOTHER CHIEF HERE WITH US.

[Time: 04:01:00]

Fire Chief Tom Shannon: GOOD EVENING MAYOR AND COUNCIL MEMBERS. CHIEF COCOA MENTIONED THE PUBLIC SAFETY DIVISION. I'D LIKE TO INTRODUCE THOSE FOLKS TO YOU. ASSISTANT CHIEF GANDARA LEADS THAT GROUP. NEXT TO HER RIGHT IS THE PERSONNEL MANAGER Lisa ANGELINI, AND TO HER RIGHT IS THE BUDGET MANAGER CHRISTY ALONZO. THOSE ARE OUR STAFF. WE SHARE THEM TOGETHER AND THEY ARE DOING OUTSTANDING WORK. OF COURSE YOU KNOW CHIEF STEVE RANDALL IS OUR HOMELAND SECURITY MANAGER AND HE WILL BE AVAILABLE AS WELL AS MY STAFF. ONE OTHER PERSON I'D LIKE TO INTRODUCE. IT'S OUR MEDICAL DIRECTOR DR. FRANCO CASTRO MORAN. HE JUST RECENTLY RENEWED HIS CONTRACT DURING THIS LAST COUNCIL, I THINK IT WAS A COUPLE MONTHS AGO. HE WORKS FOR SCOTTSDALE HEALTHCARE AND IS REALLY ON THE CUTTING-EDGE OF HOSPITAL MEDICINE AND ADVISES BOTH SIDES OF THE PUBLIC SAFETY HOUSE AND ALL THINGS MEDICINE.

THANK YOU FOR YOUR TIME TONIGHT. IT CERTAINLY IS MY PLEASURE TO PRESENT THE EIGHTH ANNUAL BUDGET. IT SEEMS THAT WHEN THE CITY MANAGER REFERENCED THE INITIAL ADDITION OF THE FIRE DEPARTMENT IN THE EARLY YEARS IT SEEMS LIKE IT'S A SHORT TIME AGO BUT IT ACTUALLY HAS BEEN EIGHT YEARS AGO. AND SO, I WOULD LIKE TO JUST TAKE A LITTLE BIT OF TIME AND TALK ABOUT COUPLE OF HIGHLIGHTS OVER THE LAST YEAR. WITHIN THE OPERATIONS DIVISION OF COURSE WE CONTINUE TO PROVIDE OUTSTANDING PUBLIC SAFETY CUSTOMER SERVICE IN ALL HAZARDS ENVIRONMENT. WHAT THAT MEANS IS QUITE LITERALLY FIRE, EMS, HAZARDOUS MATERIALS, TECHNICAL RESCUE, IT'S A FRANKLY A YOU-CALL-WE-COME SORT OF FIELD. NO REAL ASSUMPTIONS ARE MADE AS TO THE EMERGENCY FROM THE CITIZEN. WE DO MAINTAIN AN AVERAGE RESPONSE TIME OF FOUR MINUTES 23 SECONDS. THAT'S ABOUT ON TARGET FOR WHAT WE PROJECTED AND CERTAINLY A GOAL THAT WE CONTINUALLY STRIVE TO REDUCE.

[Time: 04:02:58]

WE DO UTILIZE FIREFIGHTERS FROM LOCAL FIREHOUSES TO CONDUCT FOLLOW-UP EDUCATION AND INJURY PREVENTION PROGRAMS AS PART OF OUR PUBLIC EDUCATION NETWORK. WE DO THIS IN BOTH PRESCHOOL, ELEMENTARY, MIDDLE SCHOOL AND HIGH SCHOOL ALL THROUGHOUT SCOTTSDALE. AND THEN SCOTTSDALE FIREFIGHTERS MAINTAIN 98% DIRECT PATIENT CARE EXPERIENCE FROM DOOR TO DOOR HERE IN SCOTTSDALE.

CONTINUING ON IN OUR HIGHLIGHTS, IN OUR PROFESSIONAL STANDARDS DIVISION WHICH INCLUDES EMS TRAINING AND SOME OF OUR STRATEGIC PLANNING EFFORTS, WE'VE BEEN ABLE TO LEVERAGE SOME OUTSTANDING COLLABORATIVE PROCESS. I WOULD LIKE TO MENTION ONE QUICKLY. WE WERE ABLE TO DEFER WHAT WAS GOING TO BE A SIGNIFICANT CAPITAL COST. WE WERE GOING TO BE ABLE TO DEFER AN OUTSTANDING CAPITAL COST FOR HEART MONITORS THAT REALLY AT THE TIME OF PURCHASE PROBABLY WOULD'VE EXCEEDED \$750,000 THROUGH COLLABORATIVE PROCESS WITH SCOTTSDALE HEALTHCARE, WHEREIN THEY PURCHASED ON BEHALF OF THE CITY 27 HEART MONITORS. WE WERE ABLE TO LEVERAGE SOME OF OUR PMT CONTRACT DOLLARS AS WELL SOME INTERNAL DOLLARS THAT WERE APPROVED IN LAST YEAR'S BUDGET RELATED TO OUR EQUIPMENT REPLACEMENT PLAN TO ESSENTIALLY REPLACE OUR ENTIRE FLEET OF HEART MONITORS. THIS IS NOT ONLY A GREAT FINANCIAL OPPORTUNITY BUT IT HAS MADE LITERALLY LIFE CHANGING DIFFERENCES FOR AT LEAST THREE PATIENTS SINCE MARCH THAT WE ARE AWARE OF. WHAT THIS REALLY MEANS IS

THAT WE CAN DIAGNOSE CRITICAL PATIENTS FROM THEIR HOME OR THEIR BUSINESS OR THEIR LOCATION AND TRANSMIT DATA TO THE HOSPITAL WHERE DEFINITIVE CARE CAN BEGIN BY GETTING THOSE FOLKS READY IN THE O.R. TO RECEIVE THOSE PATIENTS. WE ARE SEEING DRAMATIC IMPROVEMENT IN OUR CLINICAL OUTCOMES OF SOME OF OUR CARDIAC PATIENTS AND WE EXPECT THAT THIS IS QUITE DIRECTLY APPLIED TO THE ACQUISITION OF THESE HEART MONITORS. THAT'S AN OUTSTANDING BRAG IF YOU ALLOW ME TO DO THAT.

[Time: 04:05:08]

I MENTIONED THE EQUIPMENT REPLACEMENT PLAN THAT WAS APPROVED IN THE LAST BUDGET YEAR. THIS REALLY RELATES TO WE HAVE A BORN ON DATE JULY 1ST, 2005, WHEN WE PURCHASED A LOT OF CAPITAL ASSETS THAT REQUIRED A EQUIPMENT REPLACEMENT PLAN. WE HAVE RECENTLY BEGUN THAT PROCESS WHICH IS APPROXIMATED AT ABOUT \$4 MILLION TOTAL CHANGEOVER IN THOSE SMALLER CAPITAL PRODUCTS AND THESE ARE EXAMPLES OF SOME OF THEM. SO WE'VE BEEN ABLE TO REPLACE TURN OUT GEAR, THERMAL IMAGING CAMERAS, HEART MONITORS, CHAINSAWS AND THE LIKE SO THAT WE CONTINUALLY HAVE A RELIABLE FLEET, IF YOU WILL, OF EQUIPMENT IN ORDER TO GO OUT AND DO THE BUSINESS THAT WE DO.

WITHIN PREVENTION SERVICES, WHICH IS PROBABLY THE MOST COMMON REASON YOU WILL HEAR FROM THE CITIZENS, VISITORS, OR BUSINESS OWNERS, WE HAVE BEEN ABLE TO COLLABORATE WITH COUNCIL IN ORDER TO STRENGTHEN FIRE CODE STANDARDS AND AGGRESSIVELY PREPARE FOR WHAT IS PROBABLY OUR GREATEST VULNERABILITY HERE IN SCOTTSDALE, AND THAT IS THE THREAT OF WILD LAND FIRES. WE CONTINUE TO FOCUS ON...YES SIR.

Mayor Lane: I DID NOT MEAN TO INTERRUPT YOU MIDSSENTENCE. BUT YOU'RE TALKING ABOUT THE REPLACEMENT PROGRAM. IS THIS SOMETHING THAT HAS BEEN RECENTLY INITIATED OR IS THIS A PROGRAM THAT HAS BEEN WITH US. IF I'M UNDERSTANDING YOU CORRECTLY, IS THERE A SET ASIDE TO MAKE SURE THAT OR ARE WE BASICALLY EXPENSING AND BUDGETING EACH YEAR FOR A CERTAIN PERCENTAGE OF REPLACEMENT?

Chief Shannon: MAYOR, MEMBERS OF THE COUNCIL IT'S THE LATTER. LAST YEAR, COUNCIL APPROVED A \$400,000 ALLOCATION AND INCREASED TO OUR BUDGET IN WHAT WAS OTHER THAN THAT A VERY FLAT BUDGET YEAR, BECAUSE YOU REALIZED THAT WE COULD NO LONGER RISK NOT HAVING A CONTEMPORARY FLEET OF EQUIPMENT. WHAT WE'VE DONE IS WE'VE ALLOCATED THOSE FUNDS TO THE PUBLIC SAFETY OPERATIONAL SUPPORT DIVISION WHERE THEY MANAGED THOSE DOLLARS IN ORDER TO REPLACE THOSE CAPITAL ASSETS.

Mayor Lane: I UNDERSTAND. AND SOME OF THEM MAY HAVE A RELATIVELY SHORT LIFESPAN. THREE TO FIVE YEARS OR SOMETHING LIKE THAT, BUT NEVERTHELESS WE ARE DOING AN ALLOCATION ON THAT AND WE'RE FUNDING THOSE ON MORE OF A CURRENT BASIS?

Chief Shannon: THAT'S CORRECT. HISTORICALLY WHAT HAPPENED IN THE FIRE DEPARTMENT, WE USED GENERAL FUND DOLLARS TO KIND OF FIX WHATEVER BROKE. AND WHILE THERE WAS CONTRACTS THAT WERE INVOLVED AND THINGS LIKE OUR HEART MONITORS THAT MAINTAIN THEM, WE WOULD OCCASIONALLY HAVE BROKEN OR IN NEED OF REPAIR, WHAT WE WOULD FIND DOLLARS

WITHIN OUR GENERAL OPERATING BUDGET, PREDICTABLY WE WOULD BUDGET THOSE ANNUALLY TO TAKE CARE THAT. WHAT WE'RE DOING NOW IS GETTING INTO A MORE FORMAL EQUIPMENT REPLACEMENT PLAN AS MANAGED BY PUBLIC SAFETY.

Mayor Lane: SPREAD OVER A NUMBER OF YEARS.

Chief Shannon: THAT IS CORRECT. INSTEAD OF A FOUR MILLION DOLLAR REQUEST AND THEN LITERALLY REPURCHASING THE FIRE DEPARTMENT EVERY EIGHT TO 10 YEARS, WE ARE ASKING TO DO THAT INCREMENTALLY.

[Time: 04:08:19]

Mayor Lane: EXCELLENT. THANK YOU.

Chief Shannon: YES SIR. SO AS I BEGAN TO MENTION, YOU FOLKS PROBABLY HEAR FROM THE BUSINESS COMMUNITY MORE ABOUT OUR PREVENTION SERVICES, AND MOST IMPORTANTLY AND RELATED TO SOME OF OUR DOWNTOWN DEVELOPMENT, WE ARE FOCUSING ON HIGH RISK AND THE DEVELOPMENT PROJECTS IN TERMS OF SOME OF OUR PREVENTION STRATEGIES.

THE NOTABLE CHANGES TO THE FIRE DEPARTMENT BUDGET REALLY RELATE TO THE THINGS THAT I'VE MENTIONED IN PREVIOUS PRESENTATIONS. WE HAVE HAD SOME MOVEMENT OF PERSONNEL FROM THE FIRE DEPARTMENT FROMO THE FIRE DEPARTMENT BUDGET INTO THE PUBLIC SAFETY BUDGET. COUNCILWOMAN MILHAVEN MADE THAT OBSERVATION. YOU SAW SOME STAFFING NUMBER CHANGES. WE HAVE NOT LOST STAFF, WE SIMPLY MOVED STAFF INTO THE MORE COMMON AREA OF FINANCE AND LOGISTICS, I.T. AND PERSONNEL AS WELL AS 105% ADJUSTMENT OF PERSONNEL COSTS, A POTENTIAL 2% COMPENSATION PLAN AND CERTAINLY INCREASED COST FOR HEALTH BENEFITS AND INTERNAL SERVICE CHARGES. THE FIRE DEPARTMENT OF COURSE SUPPORTS THE SAME SERVICE BUDGET. WE DID SUPPORT THE SAME SERVICE AREAS AND WE DO HAVE A COUPLE KEY UNFUNDED PRIORITIES. THE FIRST ONE IS RELATED TO STAFFING IN THE DOWNTOWN CORRIDOR. WE HAVE SEEN OVER THE COURSE OF THE LAST SEVERAL YEARS A REDUCTION IN FINANCIAL RESOURCES THAT HAS RESULTED IN THE INABILITY TO STAFF ADEQUATELY FIRE STATION 602. THAT STATION TYPICALLY HAS HAD TWO COMPANIES OUT OF IT, A LADDER AND AN ENGINE. IN FACT, PRIOR TO A YEAR AND A HALF AGO, WE HAD FIVE COMPANIES SOUTH OF MCDONALD. WE NOW HAVE THREE RELIABLY AND THAT SPECIFICALLY RELATES TO THE DOWNTURN IN THE ECONOMY AS WELL AS THE OPENING OF STATION EIGHT AND THE INABILITY TO ADD FTES DURING THAT TIME, SINCE IT WAS SUCH A DOWNTURN IN THE ECONOMY. AS I MENTIONED, WE HISTORICALLY MAINTAINED FIVE COMPANIES SOUTH OF MCDONALD. THE PRIMARY RESPONSE AREA OF FIRE STATION 602 GENERATES OVER 5000 CALLS FOR SERVICE. JUST THAT ONE AREA OF THE DOWNTOWN AREA GENERATES 5000 CALLS FOR SERVICE. WE'VE USED VARIOUS STOP GAP TECHNIQUES IN ORDER TO MEET THE DAILY OCCURRING NEED OF 67 FIREFIGHTERS IN FIRE TRUCKS. WHEN WE SNAP SEATBELTS, 67 FIREFIGHTERS NEED TO BE SEATED. WHAT WE HAVE TO DO IS BROWNOUT THE ONLY AVAILABLE COMPANY IN A MULTI COMPANY STATION WHICH IS STATION 602 AND WE SPREAD THEM WHERE THEY MAY BE UTILIZED SO THAT AT LEAST EVERY FIRE STATION HAS ONE COMPANY THAT IS FULLY STAFFED WITH PERSONNEL.

Mayor Lane: CHIEF, THE UNFUNDED REQUESTS FOR 602, THE FTES, IS THAT GOING TO BE A CONTINUING SITUATION? YOU MENTIONED SOMETHING ABOUT OBVIOUSLY THE CRITICAL YEARS WHERE SOME OF THIS SOME OF THIS MAY HAVE BEEN LEFT UNFUNDED. HAS THERE BEEN A DENIGRATION IN OUR SERVICE LEVELS?

[Time: 04:11:53]

Chief Shannon: LET ME SAY IT THIS WAY. THE UNITS THAT ARE STATIONED AT STATION 602, RELIABLY THE LADDER, GETS TO ALL OF THE CALLS THAT THEY ARE DISPATCHED WELL WITHIN THE TIME THAT WE REQUIRE OF THEM. 353 TO BE EXACT. WE REALIZE THAT WHEN ENGINE 602 IS UP THEY ALSO HAVE A VERY GOOD RESPONSE TIME IN THE LOW FOURS. WHAT IS SIGNIFICANT IS THAT IF YOU CONSIDER THAT THOSE COMPANIES, EVEN IF BOTH ARE UP, ONLY HANDLE ABOUT 4200 TO FORTY 4500 OF THE 5000 PLUS CALLS FOR SERVICE. THAT MEANS THAT OTHER COMPANIES ARE COMING INTO THAT RESPONSE AREA FROM OBVIOUSLY FURTHER DISTANCES, WHETHER IT BE STATION ONE, TEMPE STATIONS, STATIONS FROM PHOENIX OR OUR NORTHERN STATIONS. WHAT THAT REALLY TRANSLATE INTO TIME. AND AS YOU KNOW IN THE FIRE SERVICE TIME IS EVERYTHING. YOUR BRAIN BEGINS TO BECOME INJURED OR DIE WITHIN FOUR TO SIX MINUTES AND FLASH OVER OCCURS CERTAINLY WITH THE NEW BUILDING MATERIALS WITHIN FOUR TO SIX MINUTES OF INCIPIENT FIRES. SO LONG WAY TO ANSWER A QUESTION, I CANNOT POINT TO A SINGLE INSTANCE WHERE WE HAVE HAD LOSS OF LIFE OR GREAT DAMAGE TO PROPERTY. BUT WE ARE SEEING IS THAT WE ARE LITERALLY RUNNING THE WHEELS OFF OF THOSE COMPANIES AT 602. WHEN IT'S ONE COMPANY THEY ARE REALLY BUSY. IT'S 15 PLUS CALLS PER SHIFT. THAT IS VERY HIGH AND ESSENTIALLY THEY ARE DOING NOTHING BUT RUNNING CALLS. WHEN WE HAVE TWO COMPANIES THERE BOTH COMPANIES ARE RUNNING PLUS 10. SO THAT MEANS THAT THAT SERVICE AREA GENERATES A LOT OF ACTIVITY.

Mayor Lane: NOW, I DON'T WANT TO GET DOWN INTO THE WEEDS ON THIS BUT YOU MENTIONED SOMETHING ABOUT SURE, WE'RE TALKING ABOUT ON AUTOMATIC AID AS COMPLEMENTS OF PHOENIX AND TEMPE TO BE ABLE TO FILL IN THE GAPS AS WELL. THAT'S WHY ASK, WAS THERE SOME DENIGRATION, NOT NECESSARILY A LEVEL OF ACTIVITY BUT SOME DENIGRATION IN THE SERVICE LEVELS. I GUESS I HEARD YOU SAY IT'S WORKING RIGHT NOW AS IT IS. DOES THE LADDER COMPANY GET CALLED OUT, THAT'S NOT TYPICALLY A CALLOUT UNLESS THERE IS REALLY A FIRE SITUATION AND AN ENGINE COMPANY WOULD LIKELY GO IN ITS STEAD, WOULD IT NOT, ALONG WITH THE AMBULANCES.

Chief Shannon: MAYOR AND MEMBERS OF THE COUNCIL, THE COMPANY THAT IS IN SERVICE RUNS THE CALL SO THE LADDER COMPANY IS TYPICALLY THE ONE THAT REMAINS IN SERVICE BECAUSE THEY ARE A FINITE RESOURCE. AND IN FACT LIMITED NUMBERS OF LADDERS IN THE REGION SO WE PRIORITIZE THE LADDER STAYING IN SERVICE VERSUS THE ENGINE. WE'RE SURROUNDED BY ENGINE COMPANIES. ONE POINT RELATED TO AUTOMATIC AID. AUTOMATIC AID OF COURSE IS AN OUTSTANDING ENHANCEMENT OF SERVICE AND IT REALLY REDUCES THE AMOUNT OF ENGINES AND LADDERS THAT THE CITY WOULD HAVE TO NORMALLY MAINTAIN AS PART OF WHAT WE CALL THE STANDARD OF COVER. IT'S THE STANDARD BY WHICH WE SERVICE EMERGENCIES. THE REALITY IS THAT AUTOMATIC AID IS NOT DESIGNED TO RUN CALLS IN LIEU OF. SO THE CITY IS EXPECTED TO MANAGE THEIR OWN CALLS FOR SERVICE AND DURING GREATER ALARMS IS WHEN THE AUTOMATIC AID SYSTEM REALLY MEETS ITS BENEFIT. SO WHAT WE ARE SEEING INTUITIVELY AND WE DO HAVE

STATISTICS. WHILE THEY ARE NOT VERY RELIABLE WE ARE BUILDING THE DATABASE IS NOW. WE KNOW INTUITIVELY THAT STATION 13 IN PHOENIX AS WELL AS THEIR MIDTOWN STATIONS, ALL OF OUR BORDER AUTOMATIC AID CITIES ARE RUNNING GREATER CALLS FOR SERVICE INTO SCOTTSDALE AT A LONGER RESPONSE TIME, WHICH MAKES IT A LITTLE MORE OF A ROLL THE DICE AS TO THE CONSEQUENCE AT THAT END OF THE CALL.

Mayor Lane: OKAY. THANKS, CHIEF.

[Time: 04:16:00]

Chief Shannon: THIS SLIDE REALLY IS INDICATIVE OF THE OVERALL REDUCTION IN STAFF. IF WE ARE TALKING ABOUT CHALLENGES, FINANCIAL CHALLENGES OVER THE COURSE OF THE DOWNTURN IN THE ECONOMY THAT HAVE IMPACTED STATION 602, THIS REFERENCES WHAT YOUR ADMINISTRATION LOOKED LIKE AT THE INCEPTION OF THE FIRE DEPARTMENT. OF COURSE WE'VE SEEN REALLOCATION OF STAFF BOTH AS A RESULT OF BUDGET REDUCTIONS AS WELL AS THE FORMATION OF THE PUBLIC SAFETY OPERATIONAL SUPPORT DIVISION. REALLY THAT DIVISION WAS BORN AS A CONSEQUENCE OF BUDGET REDUCTION, REALLY NOT AS A BEST PRACTICE. HOWEVER, I WANT TO MAKE SURE THAT I BRAG A LITTLE BIT ABOUT WHAT'S GOING ON HERE. IF NOT FOR THE PEOPLE WHO ARE RUNNING THAT DIVISION AND THE COMMITMENT OF BOTH POLICE AND FIRE, I THINK THAT WOULD BE KIND OF A CLUNKY RELATIONSHIP BUT WE ARE DOING A GREAT JOB. WE REALLY ARE.

Mayor Lane: I'M SORRY, CHIEF, WHEN YOU'RE TALKING IN THAT VEIN WERE TALKING ABOUT CONSOLIDATION OF RESOURCES, HUMAN RESOURCES IN THE PUBLIC SAFETY OVERALL AREA SO THERE IS A COMMON USAGE OF SOME THE STAFF WERE TALKING ABOUT THAT HAS BEEN MOVED FROM THE FIRE DEPARTMENT INTO PUBLIC SAFETY AND FROM THE POLICE DEPARTMENT OF PUBLIC SAFETY.

Chief Shannon: THAT IS CORRECT, THE AREAS OF I.T., FINANCE, BUDGET AND PERSON, EXCUSE ME, LOGISTICS OF COURSE, IS HUGE AND PERSONNEL ARE THE COMMON AREAS. ACTUALLY IT MAKES A LOT OF SENSE TO SHARE THOSE RESOURCES. WHAT WE'VE REALIZED IS AND IF I CAN JUST WHINE A LITTLE BIT...

Mayor Lane: YOU WERE BRAGGING A MOMENT AGO NOW YOU'RE GOING TO WHINE.

Chief Shannon: A LITTLE BIT. WHEN THEY BECOME ADEQUATELY STAFFED I THINK THIS THING IS GOING TO BE AN OUTSTANDING RELATIONSHIP. AS THEY BUILD THEIR STAFF AND GET THIS THING, WE ARE REALLY ONLY A YEAR INTO THIS. SO WE ARE LEARNING BEST HOW TO MANAGE THAT DEPARTMENT. BUT I THINK IT'S GOING TO BE AN OUTSTANDING MODEL FOR THE FUTURE.

Mayor Lane: IT WOULD SEEM TO BE THAT IT IS THE DESIRED COURSE IS TO BUILD EFFICIENCY AND A COMMON USE OF SOME PERSONNEL AND THEN I GUESS YOU MIGHT SAY AGENCIES WITHIN THAT ARE COMMON TO BOTH THAT ARE USED. I WOULD BE ON THE BRAGGART SIDE AS FAR AS THAT GOES AND I THINK THAT IT'S PROBABLY AND I'M HOPING IT'S WORKING WELL.

Chief Shannon: IT CERTAINLY IS.

Mayor Lane: AND AS WE CONTINUE TO CONSOLIDATE IT CERTAINLY LENDS ITSELF TO THE BEST ADVANTAGE OF OUR COMMUNITY.

[Time: 04:18:29]

Chief Shannon: IT CERTAINLY DOES AND MAYOR AND MEMBERS OF THE COUNCIL, WE HAVE TWO CULTURES COMING TOGETHER AND THAT ALWAYS MAKES FOR INTERESTING EXPERIENCES. WE'RE DOING A GREAT JOB OF WORKING THAT OUT.

Mayor Lane: THAT'S GOOD. THANK YOU.

Chief Shannon: FINALLY THE CHART OF WHAT WE LOOK LIKE TODAY.

Mayor Lane: SORRY, CHIEF, VICE MAYOR KLAPP HAS A COMMENT.

Vice Mayor Klapp: I HAVE A QUESTION ON THE LAST SLIDE. THE POSITION AT THE BOTTOM, THE ASSISTANT FIRE MARSHAL, THAT WAS NOT AN ADMINISTRATIVE POSITION, WAS THAT JUST ELIMINATED OR IS IT BETWEEN THIS BUDGET YEAR AND THE COMING BUDGET YEAR?

Chief Shannon: PAST.

Vice Mayor Klapp: AND SO WHAT REPLACED IT? IS IT JUST A POSITION THAT WASN'T NEEDED? BECAUSE THE FIRE MARSHAL, IN MY EXPERIENCE, FIRE MARSHAL GOES AND INSPECTS BUSINESSES ETC. IS IT GETTING DONE AT THE SAME PACE AS IT USED TO BE OR IS IT SLOWER NOW TO GET AN INSPECTION DONE.

Chief Shannon: MAYOR AND VICE MAYOR KLAPP, WE HAVE LESS STAFF AND WE HAVE INCREASED CALLS FOR SERVICE. THE EXISTING STAFF WILL HANDLE THAT CALL VOLUME ABSENT THAT POSITION. WE ARE SEEING INCREASE IN RESPONSE TIME, IF YOU WILL TO BUSINESSES IN ORDER TO GET THERE PERMITS CLEARED OR INSPECTIONS DONE. THERE IS A WORK VOLUME THAT EACH ONE OF THESE EMPLOYEES IS CAPABLE OF ABLE OF AND SO AS WE CONTINUE TO ADD TO THAT, THAT IS ULTIMATELY THE CHALLENGE.

Vice Mayor Klapp: SO YOU ARE FINDING THAT THERE ARE COMPLAINTS COMING FROM BUSINESSES THAT THEY ARE NOT GETTING THEIR INSPECTIONS DONE AS QUICKLY AS THEY HAD HOPED? MANY TIMES THIS HAS HAVE TO DO WITH YOUR OPENING OF BUSINESS, AND YOU CAN'T OPEN UNTIL THE FIRE MARSHAL COMES AND BLESSES THE PLACE. AND IF THE FIRE MARSHAL CAN'T COME, YOU CAN'T OPEN.

Chief Shannon: MAYOR, VICE MAYOR KLAPP, THAT IS EXACTLY HOW WE HEAR ABOUT IT. AND TYPICALLY WE HEAR ABOUT IT THROUGH YOUR OFFICES. THE FIRE MARSHAL'S OFFICE IS REALLY THE FIRE DEPARTMENT TO OUR BUSINESS COMMUNITY AND OUR SPECIAL EVENTS COMMUNITY AND SO THEY EXPECT A FAIRLY QUICK TURNAROUND, WITHIN 24 TO FORTY-EIGHT HOURS INITIAL CONTACT FOR INSPECTION, AND SO WHEN WE SEE A DELAY IN THAT RESPONSE, THAT IS TYPICALLY WHEN WE WILL HEAR FROM THEM AND REALLY LOOK FOR A HEIGHTENED LEVEL OF SERVICE. WE DO HAVE

OPTIONS. THEY CANNOT SPECIAL REQUEST AN INSPECTOR ON OVERTIME TO COME DO THAT, THAT THAT'S AN ADDITIONAL COST TO THE BUSINESS. SO IT'S A DELICATE BALANCE BETWEEN FTES AND WORK VOLUME.

Vice Mayor Klapp: DO YOU THE MAJORITY OF THE RESPONSES ARE WITHIN THE 24 TO FORTY-EIGHT HOURS TIMEFRAME?

Chief Shannon: I'M GOING TO HAVE TO DEFER TO ASSISTANT FIRE MARSHALL ZIMMERMAN. CAN YOU EXTRAPOLATE ON THAT FOR THE VICE MAYOR?

[Time: 04:21:29]

Assistant Fire Marshall Mark Zimmerman: MAYOR AND VICE MAYOR KLAPP, AT THIS TIME WE ARE IN THE 24 TO FORTY-EIGHT HOURS SOMETIMES TO A THREE-DAY TIMES SPAN BUT YES, WE ARE GETTING THE WORK DONE. I HOPE THAT ANSWERS THE QUESTION THAT WE ARE BEING ASKED. ARE WE GETTING BEHIND A LITTLE BIT, YES WE ARE. NEW BUSINESSES OPEN, AND ADD TO OUR INVENTORY. THE FIRE DEPARTMENT OWNS THE BUSINESS FOR LONG AS IT'S OPEN FOR BUSINESS, IT OWNS THE BUILDING UNTIL IT'S KNOCKED DOWN. SO WE'RE KEEPING UP WITH OUR WORKLOAD BUT WE ARE TREADING WATER. HOW DOES THAT SOUND?

Vice Mayor Klapp: OKAY, AND ARE YOU TALKING ABOUT THIS AS FAR AS IN THE FUTURE OF HOW YOU ARE GOING TO ADDRESS THIS, BECAUSE WE WANT TO KEEP A HAPPY BUSINESS COMMUNITY.

Chief Shannon: MAYOR AND VICE MAYOR KLAPP WE CERTAINLY ARE. IN FACT IT WAS OUR SECOND OUT OF BUDGET REQUEST AND AS YOU CAN SEE THE DEPUTY FIRE MARSHALL POSITION IS SPECIFICALLY DESIGNED TO ADDRESS JUST THIS ISSUE. DURING THE BUDGET REDUCTIONS WE SAW THIS POSITION ELIMINATED AND AS WE SEE THE UPTICK AND PERMIT REQUESTS AND DOWNTOWN DEVELOPMENT AREAS AS WELL AS THE GENERAL INVENTORY FOR BUSINESSES THAT ARE REQUIRED TO BE INSPECTED, IT SIMPLY COMES DOWN TO HAVING TO HAVE THAT PERSON THERE TO DO THAT WORK.

Vice Mayor Klapp: I GUESS IT'S SOMEWHAT OF A CONCERN TO ME THAT WE NEED TO SERVICE THE BUSINESS COMMUNITY EFFICIENTLY.

Chief Shannon: I WOULD AGREE. THE BALANCE OF THE UNFUNDED REQUEST, I APOLOGIZE, WE CAN CERTAINLY DELVE INTO, THAT REALLY WAS THE CONCLUSION OF THE FORMAL PRESENTATION. HOWEVER, SINCE THEY ARE HERE, LET ME QUICKLY GET THROUGH THEM. THE PMT CONTRACT GENERATES REVENUE THAT CAN BE DEDICATED TO CONTRACT ADMINISTRATION. THIS REQUEST WAS TO ALLOCATE THOSE FUNDS TO HIRE A BODY TO DO THAT WORK. THIS WORK IS RELATED TO QUALITY ASSURANCE PROCESS AS WELL AS OVERALL CONTRACT MANAGEMENT.

IN RELATION TO THE REQUEST FOR FTES, WE HAD A CORRESPONDING REQUEST TO TRAIN FIREFIGHTERS. IT ALSO INCLUDES THE REQUEST TO TRAIN PARAMEDICS, TECHNICAL RESCUE SPECIALISTS AND HAZARDOUS MATERIALS TECHNICIANS. THIS UNFUNDED REQUEST ADDRESSED THAT ISSUE.

SIMILARLY WE'RE SAYING A GENERAL ATTRITION RATE THE FIRE DEPARTMENT BETWEEN THREE AND SIX PERSONNEL PER YEAR. WE ARE CURRENTLY DOWN SIX PARAMEDICS WITHIN THE FIRE DEPARTMENT. WE HAVE AN INTEREST IN TRAINING PARAMEDICS REGULARLY AND ANNUALLY IN ORDER TO KEEP UP WITH THAT ATTRITION RATE. WE'RE SEEING ABOUT HALF OF OUR PERSONNEL ARE PARAMEDICS.

[Time: 04:24:44]

AND THEN OUR LAST REQUEST WAS TO FUND FOUR POSITIONS WITHIN OUR 24 POSITION PIPELINE AND THAT DIRECTLY RELATES TO THE ATTRITION RATE THAT WE ARE SEEING IN THE FIRE DEPARTMENT WHICH IS BETWEEN THREE AND SIX PERSONNEL PER YEAR. WITH THAT I'LL ANSWER ANY QUESTIONS.

Mayor Lane: THANK YOU, CHIEF. WE DON'T HAVE ANY QUESTIONS FOR YOU RIGHT NOW. I WOULD SAY THANKS VERY MUCH FOR THE PRESENTATION AND WELL DONE.

Chief Shannon: THANK YOU.

Mayor Lane: I'M SORRY, BEFORE WE LET YOU GO, THIS JUST POPPED UP.

[Time: 04:25:25]

Councilman Robbins: I WAS JUST GOING TO ASK THE CITY MANAGER SOMETHING RELATED TO PUBLIC SAFETY. WHEN I LOOK AT WHAT WE SPENT ON PUBLIC SAFETY LAST YEAR, \$113, 300,000 AND THIS YEAR WE'RE BUDGETING \$115,800,000, SO IT'S ABOUT A \$2.5 MILLION INCREASE, IS THAT PRIMARILY FOR THE PERSONNEL COST INCREASE THAT WE'RE DOING ACROSS THE BOARD? THE 2.5 PERCENT BASICALLY ON A \$100,000,000 BUDGET? IT WOULD MAKE SENSE.

Acting City Manager Dan Worth: MAYOR AND COUNCILMAN ROBBINS, I'D HAVE TO DIG INTO THE DETAIL TO ADDRESS THAT, BUT IT IS A NO NEW SERVICES BUDGET ESSENTIALLY. WE ADDED THE ONE NEW POSITION IN FORENSICS, AND ASIDE FROM THAT, THIS IS GOING TO BE AN INCREASE IN COSTS. PERSONNEL COSTS WOULD BE PART OF IT, BUT ALSO SOME OF THE CONTRACT COSTS OF PROVIDING OTHER SERVICES. BUT ESSENTIALLY AN INCREASE IN COSTS FOR PROVIDING THE SAME LEVEL OF SERVICE.

Councilman Robbins: YES, THE MERIT PAY INCREASE AND THE PERFORMANCE-BASED INCREASE TO PERSONNEL COSTS, THAT'S WHAT IT LOOKS LIKE. OKAY, THAT MAKES SENSE. THANK YOU.

Mayor Lane: THANK YOU COUNCILMAN AND AGAIN THANK YOU CHIEF, THANK YOU MR. WORTH. THAT TAKES US TO THE NEXT ITEM UNDER THE REVIEW OF THE PROPOSED FISCAL YEAR BUDGETS BY DIVISION, ITEM D, WATER RESOURCES. OF COURSE WE HAVE MR. BRIAN BIESEMEYER.

Water Resources Executive Director Brian Biesemeyer: MAYOR AND COUNCIL, THE FOLLOWING PRESENTATION IS GOING TO BE A LITTLE DIFFERENT THAN WHAT YOU JUST SAW. WE'RE GOING TO

TALK ABOUT DISTINCT ENTERPRISE FUNDS, NOT THE GENERAL FUND, AS WELL AS I HAVE A PROPOSED RATE PRESENTATION AS WELL.

THIS IS OUR STRUCTURE. THERE IS NO PROPOSED FTE CHANGE WITHIN WATER RESOURCES. THE NEXT ONE IS ON THE WATER SIDE OF THE ENTERPRISE FUND. WITHIN THE WATER OPERATING BUDGET, YOU CAN SEE THE MAJOR BREAKDOWN. THE FOUR LARGEST COST AREAS ARE PURCHASED WATER, PERSONNEL SERVICES, ELECTRIC AND CHEMICALS.

[04:28:13]

THE FASTEST GROWING EXPENSES ARE MAINTENANCE COSTS, ELECTRICAL, AND PURCHASED WATER. YOU'LL SEE THE MAJOR OPERATING BUDGET CHANGES HERE WITH THE INCREASES IN PURCHASED WATER, PRIMARILY CENTRAL ARIZONA PROJECT WATER COSTS. THOSE ARE GOING UP AND THERE'S A LITTLE UNCERTAINTY ABOUT THE EXACT AMOUNT THAT THEY'RE GOING UP. THE CENTRAL ARIZONA PROJECT BOARD HAS YET TO FINALIZE THOSE RATES. THEY'RE EXPECTED TO GO UP BETWEEN 7 AND 20 PERCENT. THE MAINTENANCE COSTS HAVE INCREASED. AS HAVE OUR FACILITIES AGE, WE HAVE PREVENTIVE MAINTENANCE PROGRAMS WE'VE INITIATED TO EXTEND THE LIFE OF OUR ASSETS BUT THERE'S A COST INVOLVED WITH THAT.

ELECTRICITY, A.P.S. RAISED RATES IN JANUARY, ABOUT 10% FOR COMMERCIAL CUSTOMERS, LARGE COMMERCIAL CUSTOMERS LIKE OUR WATER FACILITIES. THE A.P.S. RATE FOR RESIDENTIAL CUSTOMERS WAS MUCH SMALLER. S.R.P. ANNOUNCED A RECENT RATE REDUCTION.

HOWEVER, THE MAJORITY OF OUR COSTS ARE WITH A.P.S. AND NOT WITH S.R.P. ON THE BOTTOM SIDE YOU'LL SEE OUR FIVE YEAR CAPITAL IMPROVEMENT FUND AND THE MAJORITY OF THOSE AGAIN ARE WATER SYSTEM IMPROVEMENTS AS WE MAINTAIN, WE REHAB AND MAINTAIN OUR WATER SYSTEM.

Mayor Lane: BRIAN, JUST A QUICK QUESTION. I SUPPOSE ON PURCHASED WATER, FOR ME, WHAT THE SITUATION IS, IT'S DEVELOPING WITH THE C.A.W.C.D. WITH REGARD TO THEIR RECALCULATIONS ON RESALE POWER THAT THEY PURCHASED FROM NAVAJO GENERATING STATION AND ALL THAT. THE IMPLICATIONS NOT ONLY OF THAT, BUT ALSO OF THE ADDITIONAL BURDEN THAT MAY BE COMING THROUGH IN THE WAY OF COSTS OF ELECTRIC POWER TO C.A.P., DO WE HAVE ANYTHING CALCULATED INTO THIS OR IS IT JUST A MATTER OF IF THOSE THINGS WERE TO OCCUR, WE END UP COMING BACK TO A RATE-BASED CONSIDERATION?

Brian Biesemeyer: THIS IS THE BASE AMOUNT THAT THEY PROJECTED. IT'S ABOUT AN 8% INCREASE WITH SOME VOLUME. IF THEY GO HIGHER, WE HAVE SOME CONTINGENCIES THAT WE BELIEVE CAN WITHSTAND THAT FOR THE NEXT UPCOMING YEAR. PAST THAT, IT WILL BE A DIFFERENT MATTER. NEXT YEAR, WE WILL HAVE TO FACTOR THOSE THINGS INTO CONSIDERATION.

Mayor Lane: BUT THE 8% THAT WAS ANTICIPATED, NOTWITHSTANDING SOME ADDITIONALS, THAT'S ALREADY PLUGGED INTO THIS?

Brian Biesemeyer: THAT'S ALREADY PLUGGED INTO THIS BUDGET.

Mayor Lane: OKAY, THANK YOU.

[Time: 04:31:11]

Brian Biesemeyer: ON MAJOR DECREASES, THE TREATMENT FILTER MEDIA COSTS, THAT'S THE GRANULAR ACTIVATED CARBON. WE HAVE A NEW FACILITY BEING CONSTRUCTED IN HILA BEND WHICH GREATLY DECREASES OUR TRANSPORTATION COSTS FOR GRANULAR CARBON. OVERALL THAT'S A BUDGET INCREASE OF SIX, ALMOST \$700,000. SO FIRST I SHOWED YOU SOME PICTURES OF WHAT OUR FACILITIES LOOK LIKE AND JUST TO GIVE YOU AN IDEA OF THE THINGS THAT WE DEAL WITH OUT IN THE FIELD. THE NEXT ENTERPRISE FUNDS, ACTUALLY TO TALK ABOUT OUR CONTRACTUAL OBLIGATIONS AND WE TRACK THESE. THERE'S A NUMBER OF CONTRACTUAL OBLIGATIONS AND WE TRACK THESE AS SEPARATE FUNDS AND I'LL PRESENT YOU WITH THE MAJOR CHANGES IN THIS FUND. THESE FUNDS ARE AGAIN PRIMARILY WITH GOLF COURSES BUT WITH OTHERS. WE HAVE THE RECLAIMED WATER DISTRIBUTION SYSTEM AS WELL AS A NUMBER OF OTHER SYSTEMS, CONTRACTS THAT WE DEAL WITH, AND AS YOU MIGHT EXPECT, THE MAIN COSTS ARE IN THE ELECTRICAL AS WELL AS PURCHASED WATER.

THE OTHER CONTRACTS ARE THE MCDOWELL MOUNTAIN GOLF COURSE, THE CENTRAL GROUNDWATER TREATMENT FACILITY, OUR P.C.X. WELL ONE TREATMENT FACILITY, THE SILVERADO GOLF COURSE, GAINNEY RANCH AS WELL AS THE RECLAIMED WATER DISTRIBUTION SYSTEM. IT'S A SIGNIFICANT INCREASE. IT INCLUDES ALSO THE COST OF THE ADVANCED WATER TREATMENT FACILITY FOR THE R.W.D.S. AND THEN ELECTRICAL AS YOU WOULD EXPECT, THERE'S A LOT OF WATER THAT'S BEING MOVED AND THE COST INVOLVED WITH MOVING THAT WATER. WE HAVE SEEN SOME DECREASES IN PROFESSIONAL SERVICES, MOSTLY SAMPLING COSTS THAT HAVE BEEN REDUCED AND SOME OF THE MACHINERY AND EQUIPMENT IS DUE TO NOT PURCHASING SOME TRUCKS THAT WERE ORIGINALLY SCHEDULED TO BE PURCHASED. WE CAN FOREGO THAT. AND AGAIN THERE'S MAINTENANCE ACTIVITIES INVOLVED WITH THESE SYSTEMS AS WELL. ON THE WATER RECLAMATION SIDE, THE MAJOR COST CENTERS ARE PERSONNEL SERVICES. OUR S.R.O.G., OUR SUBREGIONAL OPERATING GROUP WHICH TREATS ROUGHLY 45% OF OUR WASTEWATER AND THEN ELECTRICAL AS YOU WOULD EXPECT. ON THE WATER RECLAMATION BUDGET, AS I MENTIONED ELECTRICAL IS A MAJOR COMPONENT OF OUR COST INCREASES. WE ALSO HAVE SOME COST INCREASES DUE TO ENHANCED SEWER ASSESSMENTS. AS WE WANT TO ENSURE THAT WE HAVE A GOOD HANDLE OF OUR SEWER SYSTEM. AS WELL AS INCREASED COSTS OF SEWER CLEANING. WE'VE SEEN SOME REORGANIZATIONAL EFFICIENCIES. WE'VE CONSOLIDATED SOME OF OUR MAINTENANCE ACTIVITIES. SOME OF THEM WE CAN'T CONSOLIDATE WHEN THEY DEAL WITH WATER AND WASTE WATER. WE DON'T WANT PEOPLE DEALING WITH WASTEWATER MOTORS WHEN WE'RE DEALING WITH WATER MOTORS. BUT THE ELECTRONICS, THE SCADA, THE TECHNOLOGY AREAS, WE CAN'T CONSOLIDATE THAT, AND AS A RESULT OF THOSE CONSOLIDATION EFFORTS WE'VE BEEN ABLE TO REDUCE OUR COSTS. AGAIN, AT THE BOTTOM IS OUR FIVE YEAR CAPITAL IMPROVEMENT PROGRAM AND YOU CAN SEE THAT THERE'S A SUBSTANTIAL COST OF THESE IMPROVEMENTS ARE REALLY FOR WITH REHAB AND REHABILITATION AS WELL AS THE SUBREGIONAL OPERATING GROUP. AND AGAIN JUST SOME PICTURES OF THINGS THAT YOU DON'T NORMALLY SEE BUT WE DEAL WITH.

[Time: 04:35:46]

MOVING INTO WATER RATES, I'D LIKE TO CLARIFY BEFORE I GO INTO THE RATES THAT WHEN WE SET RATES IN THE CITY OF SCOTTSDALE, WE SET THOSE BASED ON OUR LOCAL COSTS AND THE STRENGTHS OF OUR FUND AND WE DO NOT SET THEM ON COMPARISONS TO ANY OTHER MUNICIPALITIES. YOU'LL SEE SOME COMPARISONS HERE, BUT THAT'S JUST TO COMPARE WITH OTHER CITIES. IT HAS NOTHING TO DO WITH ACTUAL RATE-SETTING. A CHANGE FROM THE PROPOSAL THAT WAS BEFORE YOU LAST MONTH IS THE WATER FUND, AND WE CONTINUE TO COLLECT REVENUES ABOVE THOSE THAT WE FORECASTED. AS A RESULT WE'RE GOING TO REVISE THIS PROPOSAL TO REDUCE OUR REVENUES BY \$1.6 MILLION. WE'RE GOING TO DO TRY TO DO THAT BY LOWERING THE 1ST-TIERED RATES OF THE RESIDENTIAL, THE FIRST THREE OF THE RESIDENTIAL, AND THE FIRST-TIERED RATES FOR THE NON-RESIDENTIAL CUSTOMERS. BY DOING SO, WE HOPE TO KEEP THE CONSERVATION MESSAGE ALIVE, INCENTIVIZE FOLKS TO CONSERVE, BUT PROVIDE COST DECREASES FOR ALL OF OUR CUSTOMERS WITH A HIGHER PERCENTAGE TO THOSE YOU DON'T USE AS MUCH. THIS BREAKS DOWN AS FOLLOWS: AGAIN, YOU CAN SEE THAT THE RATE STRUCTURES STILL HAVE A CONSERVATION EFFECT. BUT IT AFFECTS MOSTLY THOSE CUSTOMERS WHO USE LESS. AND THESE ARE A SUMMARY OF THE REVENUE CHARGES, AND PER COUNCIL'S GUIDANCE MANY OF THE CHARGES YOU'LL SEE IN THE NEXT SEVERAL SLIDES HAVE BEEN PHASED IN OVER THE LAST 2-3 YEARS AND THESE PHASES AGAIN ARE BASED ON COST RECOVERY. THE FOLLOWING ARE BASED ON FOR A TWO YEAR PHASING PERIOD. IN PRINCIPLE METER COST AND METER INSTALLATION SERVICES. THESE ARE GENERALLY FOR NEW DEVELOPMENTS AND NEW HOMES. AND THEN SOME MORE OVER TWO YEARS. AND THEN THE LAST GROUP IS OVER THREE YEARS. AGAIN, NOTE THE ADDITIONAL REVENUES. THE NUMBER OF THESE IS FAIRLY SMALL. SO THE ACTUAL REVENUE CHANGE IS PRETTY SMALL BUT THAT DOESN'T AFFECT THE INDIVIDUAL WHO HAS TO PAY THOSE. TO THE SINGLE INDIVIDUAL THAT MAY BE PRETTY SUBSTANTIAL.

THE RECLAIMED WATER RECLAMATION RATES OR SEWER RATES. WITH WATER RECLAMATION FUND, THE DRIVING FORCE OR NEED FOR THIS INCREASE IS CAPITAL REPLACEMENT OF AGING INFRASTRUCTURE, BOTH TO SUPPORT CITY ASSETS AS WELL AS THE SUBREGIONAL OPERATING GROUP AGREEMENT COST. IN A COUPLE OF SLIDES I'LL SHOW YOU THE IMPACT OF THESE CAPITAL NEEDS ON THE FUND'S HEALTH. OVERALL, THE REVENUE CHANGES ARE PROJECTED TO BE \$1.4 MILLION. THE BOTTOM ACCOUNT ESTABLISHMENT FEE, WE'RE GOING TO PHASE IN OVER TWO YEARS. IN THIS SLIDE I'M ATTEMPTING TO SHOW THE FIVE YEAR PROJECTION FOR THE WATER RECLAMATION FUND OVERTIME WITH A SINGLE 4% INCREASE FOR F.Y. '13-'14. YOU CAN SEE AT THE TOP WHICH IS THE SOURCE FUNDS, IN THE MIDDLE IS THE USE OF FUNDS, THERE WE GO, AND ENDING UP IN CASH BALANCE IN '13-'14 OF \$31.8 MILLION. IF YOU LOOK AT THAT AND YOU LOOK AT THE REQUIRED RESERVES, YOU CAN SEE THE CAPITAL RATE STABILIZATION IS ABOUT \$200,000. WITH A 4% INCREASE, WE'RE \$200,000 ABOVE OUR RESERVES. GIVEN THE VARIABILITY OF REVENUE AND COSTS, THAT'S NOT A LARGE AMOUNT TO HOLD AS A CAPITAL RATE STABILIZATION AMOUNT. YOU CAN SEE THE INCREASES IN '14 AND '15, BUT DECREASES AGAIN IN THE NEGATIVE SUCH THAT IN '15-'16 WE ARE NO LONGER ABLE TO MEET OUR REQUIRED RESERVES.

Mayor Lane: THANK YOU, BRIAN, WE DO HAVE A QUESTION FROM COUNCILMEMBER ROBBINS.

Councilman Robbins: YOU KNOW, YOU'RE TALKING ABOUT SOURCE OF FUNDS, USE OF FUNDS AND THE ENDING CASH BALANCES. NOW THOSE ENDING CASH BALANCES ARE PRETTY CONSISTENT EXCEPT FOR NEXT YEAR, IT GOES FROM \$18 MILLION TO \$31 MILLION.

Brian Biesemeyer: IT'S A BOND ISSUE THAT WE HAVE. YOU SEE THAT BOND ISSUE THERE, THAT'S REALLY THE DISTINCTION. THAT'S BEING HELD FOR, AND YOU'LL SEE IT DOWN BELOW. WE DON'T SPEND THAT ALL IN ONE YEAR. IT TAKES US SEVERAL YEARS FOR US TO SPEND THAT FOR CAPITAL PROJECTS.

Councilman Robbins: SO IS THERE ANY WAY, SO WHEN YOU HAVE A 4% FORECASTED RATE INCREASE IN ONE YEAR AND THEN THE NEXT FOUR YEARS ARE ZERO, IS THERE ANY WAY TO SPREAD THAT OUT, LIKE 2% THIS YEAR AND 2% NEXT YEAR.

[Time: 04:42:13]

Brian Biesemeyer: WE'RE LOOKING FOR 4% THIS YEAR, YOU CAN SEE THAT GETS YOU RIGHT TO THAT \$200,000 AMOUNT. THAT GETS US THROUGH THAT YEAR. THERE IS SOME ADDITIONAL REVENUE BUILD-UP IN '14-'15. THE NEXT SLIDE IS WHAT WE WOULD FORECAST. AND AGAIN THIS IS JUST FORECASTING. WE'RE ONLY BRINGING TO COUNCIL A 3% RATE FOR '13-'14 BUT FOR A LONG-TERM STABILIZATION, WE PUT THE \$30,000 THERE. IF WE DO, THE ENDING CASH BALANCE THAT COMES OUT HERE, YOU KNOW, IT GOES THROUGH TO THE NEXT YEAR. SO IF WE CAN PERFORM BETTER, WE CAN BE MORE EFFICIENT, WE CAN REDUCE ANY PROJECTED INCREASE FOR THE FOLLOWING YEAR AND THAT WOULD BE OUR GOAL.

Councilman Robbins: OKAY, THANK YOU.

Mayor Lane: THANK YOU, COUNCILMAN. PLEASE PROCEED.

Brian Biesemeyer: IN THIS SLIDE YOU'LL SEE IN COMPARISON, BUT THIS IS FOR A 5/8-INCH METER, OUR SMALLER METERS FOR THE RESIDENTIAL CUSTOMER AND THIS IS A TYPICAL RESIDENTIAL CUSTOMER WITH A 5/8-INCH METER. THEIR BILL GIVEN BOTH THE WATER AND WASTE WATER CHANGES WOULD BE REDUCED BY ABOUT 16 CENTS PER MONTH ON AVERAGE. THIS SLIDE SHOWS A 1 INCH METER AND A TYPICAL CUSTOMER WITH A 1 INCH METER AND THEIR BILL ON AVERAGE WOULD BE BASICALLY THE SAME UNCHANGED, IT'S A ONE-CENT DIFFERENCE THAT WE'VE PROJECTED. THESE TWO BILLS, THE 1 INCH AND 5/8 IS INCH REPRESENT ABOUT 80% OF OUR CUSTOMER BASE ARE IN THESE TWO CLASSES. PENDING YOUR QUESTIONS THAT ENDS MY PRESENTATION.

Mayor Lane: THANK YOU MR. BIESEMEYER. I WAS GOING TO SAY, I DON'T KNOW IF YOU HIT THIS SLIDE OR NOT. BUT IT'S OF INTEREST TO ME AND I THINK A NUMBER OF PEOPLE BECAUSE WE LOOKED AT THIS BEFORE, AND THAT WAS THE ADJUSTMENTS THAT YOU'VE MADE TO THE INCREASES IN THE WATER RECLAMATION OR SEWER CHARGES IF YOU WILL, VERSUS THE WATER DISTRIBUTION OR WATER SYSTEM. WE'VE COME NOW TO A NET BETWEEN THE TWO OF ALL UNDERWATER RESOURCES OF ABOUT A \$200,000 REDUCTION IN YOUR OVERALL RATES. I THINK IT'S AN IMPORTANT POINT TO MAKE. I MAY HAVE MISSED IT, BUT I WENT RIGHT FROM THE BILLS, OR I SHOULD SAY THE BAR GRAPHS THAT YOU HAD DEMONSTRATED.

Brian Biesemeyer: THERE'S A DISTINCTION BETWEEN WHAT WAS PRESENTED AND SOME OF THOSE SLIDES. THERE WAS ONE SLIDE APPARENTLY...

Mayor Lane: DIDN'T MAKE THE CUT?

Brian Biesemeyer: DIDN'T MAKE IT INTO THE PRESENTATION CUT.

[Time: 04:45:24]

Mayor Lane: MAYBE THAT'S WHY I WANTED TO POINT IT OUT. I THINK THAT'S AN IMPORTANT POINT TO BE MADE TO OUR COUNCIL HERE BECAUSE OF OUR EARLIER CONCERNS ABOUT THE INCREASES ON THE WATER SIDE. AND AS WE'VE LOOKED AT THAT, AND AS YOU'VE DEMONSTRATED, IT NOW AMOUNTS TO A \$1.6 MILLION REDUCTION BUT IN EXCHANGE, WELL I DON'T WANT TO SAY EXCHANGE, BUT THERE IS THE OFF-SETTING TRUE COST GOING TO THE AREA IN THE \$1.4 MILLION INCREASE ON THE WATER RECLAMATION SIDE. SO YOU'VE INDICATED SORT OF THE CONSERVATION ELEMENT WITHIN OUR NEW TIERED SYSTEM, AND AT THE SAME TIME IN THE LOWER END BEING ABLE TO REDUCE SOME OF THE RATES TO GIVE US SOME OF THESE NUMBERS AND I'M POINTING TO WHAT I HAVE IN FRONT OF ME, AND IT WAS NOT UP THERE ON THE SCREEN. SO THE NET CHANGE NOW IN THE WATER RESERVE AREA AS FAR AS WATER RESOURCE IS CONCERNED, A \$1.2 MILLION REDUCTION ON THE AVERAGE, FRANKLY REVENUES.

Brian Biesemeyer: FOR REVENUES OVERALL, YES.

Mayor Lane: VERY GOOD, AND I THINK IT'S A VERY IMPORTANT POINT TO MAKE. WE DO HAVE A QUESTION OR COMMENT FROM COUNCILMAN ROBBINS.

Councilman Robbins: GREAT JOB AND GOOD WORK ON YOUR STAFF. JUST CAN YOU GIVE ME A SENSE OF WHEN I LOOK AT THE RESIDENTIAL COMPARISON AND CHANDLER AND GILBERT IS SO MUCH LOWER THAN EVERYONE ELSE, WHAT'S THE STRUCTURAL REASON FOR THAT?

Brian Biesemeyer: I DON'T KNOW ALL THE FINANCES BEHIND THAT. GENERALLY I WOULD SAY BOTH OF THOSE CITIES ARE VERY FLAT CITIES AND THE ABILITY TO PROVIDE SERVICES IN A FLAT AREA IS MUCH LESS COSTLY THAN IT IS WITH THE ELEVATION INCREASES THAT WE HAVE IN SCOTTSDALE. ADDITIONALLY, THEY'RE ALSO FAIRLY, WE'RE A LONG AND NARROW CITY WITH ELEVATION INCREASES. IT JUST MAKES IT MORE COSTLY TO PUMP WATER UP, AND WHEN SEWAGE BACKS DOWN, IT COMES DOWN TO THE INTERFACE EXCHANGES. ALL OF THOSE THINGS ADD COSTS TO OUR RATE STRUCTURE WHICH THOSE CITIES DON'T HAVE.

Councilman Robbins: THANK YOU.

Mayor Lane: THANK YOU, COUNCILMAN. BRIAN, IN ADDITION TO THAT AND I DON'T KNOW WHETHER THIS IS A PROPER ASSESSMENT OR CONSIDERATION, BUT DO BOTH OF THOSE CITIES HAVE A GREATER OR LESSER DEPENDENCY ON C.A.P. WATER?

Brian Biesemeyer: THEY HAVE LESS. WE HAVE A GREATER DEPENDENCY ON C.A.P. WATER. I HAVE TO DO MY RESEARCH, BUT YES, OUR DEPENDENCY ON C.A.P. WATER IS MORE COSTLY THAN SRP. SO THE LARGER SRP AREA THAT YOU HAVE, THE LESS EXPENSIVE THE RAW WATER IS.

Mayor Lane: SO THROW IN THE PRICING DIFFERENTIAL IN WITH THE FLATNESS AND THE EASIER TERRAIN AND SERVICE DELIVERY.

Brian Biesemeyer: IT'S FOUR TIMES LESS COSTLY.

Mayor Lane: ALL RIGHT. WELL, THANK YOU VERY MUCH MR. BIESEMAYER, I APPRECIATE THE RESULTS ALL THE WAY AROUND.

Brian Biesemeyer: THANK YOU, MAYOR, THANK YOU, COUNCIL.

Mayor Lane: MOVE ONTO OUR NEXT ITEM, PUBLIC WORKS, AND MR. DEREK EARLE.

[Time: 04:48:54]

City Engineer Derek Earle: GOOD EVENING, MEMBERS OF COUNCIL. I'M ACTUALLY GOING TO HAVE TWO PARTS OF MY PRESENTATION. I'M GOING TO START WITH A BRIEF UPDATE ON THE C.I.P. ONLY BECAUSE THAT TENDS TO FALL UNDER THE CAPITAL PUBLIC WORKS SEGMENT. SO IN JUST A MOMENT HERE, WE'LL CUE UP THE SLIDES. HERE WE GO. SO AGAIN, STARTING WITH THE C.I.P. FIRST, THIS CHART ACTUALLY WAS IN THE CITY TREASURER'S PRESENTATION. THESE ARE THE COMPONENTS OF THE C.I.P. PREVIOUSLY WHEN I HAVE BEEN UP HERE I THINK IN EARLIER FEBRUARY, I DISCUSSED SOME OF THE AREAS OF THE C.I.P. PRIMARILY AROUND THIS PORTION, THIS PORTION, AND THIS PORTION AS BEING PRIMARILY GENERAL FUND-FUNDED. SO WHAT I'D LIKE TO DO TODAY IS ACTUALLY FOCUS A LITTLE BIT MORE ON PROJECTS THAT FALL INTO WATER MANAGEMENT AREA, A LITTLE BIT IN PRESERVE, AND TRANSPORTATION BECAUSE THIS IS THE REST OF THE C.I.P. WE DON'T USUALLY FOCUS ON. WE USUALLY FOCUS ON THE GENERAL FUND PIECE. SO LOOKING AT SOME OF THE PROJECTS THAT ARE PROPOSED, AND THESE ARE NEW PROJECTS IN THE C.I.P. THIS YEAR. THESE ARE FUNDS OTHER THAN THE GENERAL FUND. I'LL TALK ABOUT THE GENERAL FUND PROJECTS IN THE NEXT SLIDE AND I WON'T SPEND A LOT OF TIME ON INDIVIDUAL PROJECTS UNLESS YOU HAVE PARTICULAR QUESTIONS. FIRST TWO PROJECTS ARE THE IMPROVEMENTS AT THE AIRPORT BOTH IN THE TERMINAL AND IN SOME TAXIWAY RECONSTRUCTION. THESE ARE PRIMARILY FUNDED THROUGH AVIATION FUNDS. A LOT OF THE FUNDING FOR AIRPORT PROJECTS COMES FROM THE F.A.A. SO THESE ARE OUTSIDE OF THE CITY. FOLLOWING ON, I BELIEVE THERE WAS A LONG DISCUSSION ABOUT THE COURT ENHANCEMENT FUND. IT DOES FUND SOME CAPITAL PROJECTS, IN THIS CASE THERE'LL BE A REMODEL PROPOSED FOR THE COURT CASH OFFICE. THESE ARE SOME SECURITY IMPROVEMENTS AND OPERATIONAL IMPROVEMENTS. WE'RE ADDING ON DOWN THE LIST, ADDITIONAL FUEL, C.N.G. FUEL DISPENSERS FOR SOME OF OUR SOLID WASTE TRUCKS AND THAT IS FUNDED AGAIN THROUGH THE FLEET RATES. THE SOUTH AREA ACCESS CONTROL IS SOME PORTIONS OF THE PRESERVE WHERE WE'RE BETTER TRYING TO CONTROL ACCESS, WHERE RIGHT NOW QUADS, MOTORCYCLES, THINGS LIKE THAT CAN ACCESS FREELY ON THE PRESERVE. AND THAT CAN HELP TO CONTROL SOME OF THAT ACCESS. MOVING ON DOWN SEVERAL WATER PROJECTS THAT WE'RE FOCUSED ON, AND FINALLY, AND AS BRIAN MENTIONED THOSE WERE COMING FROM THE WATER AND SEWER RATES AND THEN

FINALLY SOME TRANSPORTATION FUNDS. THESE ARE PRIMARILY FUNDED THROUGH THE 2010 TRANSPORTATION SALE TAX IN COMBINATION WITH THE MAG PROP 400 FUNDING. SO THESE WERE FUNDED SPECIFICALLY TO THE TRANSPORTATION PROJECTS. THIS I HAD SHOWN PREVIOUSLY IN FEBRUARY, AND THE CITY MANAGER HAD ALLUDED TO IT. THESE ARE GENERAL FUND PROJECTS THAT ARE PROPOSED, THAT ARE BEING ADDED TO THE C.I.P. WE'VE TALKED PREVIOUSLY ABOUT THE STADIUM IMPROVEMENTS, SOME WESTWORLD EVENT AREA IMPROVEMENTS, FOR THE CITY ATTORNEY, AND SPECIAL INVESTIGATIONS FACILITIES FOR THE POLICE DEPARTMENT. THE REST ARE WHAT WE CALL PROGRAMMATIC ACCOUNTS. WE PROGRAM EACH YEAR A SMALL AMOUNT OF REPLACEMENT FUNDING FOR CERTAIN PARTS OF THE INFRASTRUCTURE. FOR EXAMPLE FACILITIES' REPAIR, NETWORK AND INFRASTRUCTURE AND YOU CAN GO ON DOWN THE LIST. SO AS YOU CAN SEE, THESE FUNDS ARE PROGRAMMED IN THE FIVE YEAR HORIZON. SO THAT'S WHY I HAVE LISTED ON HERE THE FISCAL YEAR THAT THESE ARE ACTUALLY BEING PROGRAMMED IN. SO THESE ARE INCREASING THE AMOUNT OF THE C.I.P., BUT THEY'RE IN LATER YEARS.

Councilwoman Milhaven: MAYOR?

[Time: 04:53:02]

Mayor Lane: I'M SORRY, MR. EARLE, WE DO HAVE A QUESTION OR A COMMENT FROM COUNCILWOMAN MILHAVEN.

Councilwoman Milhaven: WESTWORLD.

Derek Earle: YES, MA'AM.

Councilwoman Milhaven: THAT \$4 MILLION. CAN YOU EXPLAIN A LITTLE BIT MORE WHAT THAT IS. THAT \$4 MILLION IS ON TOP OF THE MONEY THAT WE USED TO CONSTRUCT THE TONY NELSEN EQUESTRIAN CENTER?

Derek Earle: THIS IS MOSTLY FOR THE PARKING AREAS. ALLOW THE ABILITY FOR ADDITIONAL TENTS ET CETERA TO BE SET UP IN THOSE FOR ANY USER IN WESTWORLD. ALSO, THIS INCLUDES SOME SHOW OFFICE IMPROVEMENTS. IT WILL ALLOW THE ABILITY FOR SOME OF THE SHOWS TO COME OUT THERE AND TO BE ABLE TO STAGE IN A CENTRAL LOCATION SOME OF THEIR MANAGEMENT STAFF THAT COMES OUT. SO THIS IS AGAIN, CONTRIBUTING TO THE OVERALL USAGE OF WESTWORLD, TRYING TO ENHANCE SOME OF THE ABILITY TO SET UP SOME OF THESE LARGE EVENTS. SOME OF THE EVENTS CONTINUE TO PLAN ON SETTING UP TENTS GOING FORWARD, FOR EXAMPLE THE QUARTER HORSES, AND I THINK EVEN THE ARABIANS EVEN WITH THE COMPLETION OF THE EQUESTRIAN CENTER.

Councilwoman Milhaven: AND SO THIS IS THE STAFF RECOMMENDATION TO THE FIVE YEAR PLAN?

Derek Earle: YES, THIS IS THE STAFF RECOMMENDATION FOR THE FIVE YEAR C.I.P.

Councilwoman Milhaven: THANK YOU.

Mayor Lane: THANK YOU, COUNCILWOMAN.

[Time: 04:54:34]

Derek Earle: WE'RE STILL FOCUSING ON THE FIVE-YEAR C.I.P. AND THE AMOUNT BEING FUNDED BY THE GENERAL FUND. WE HAVE SUGGESTED AN ADDITIONAL \$3 MILLION CONTRIBUTION TO THE GENERAL FUND PORTION OF THE C.I.P. OR FROM THE ACCESS FUNDING TO THE C.I.P. WE STILL CONTINUE TO FOCUS ON THE FIVE YEAR PLAN ON TRYING TO DEMONSTRATE THAT WE HAVE A FIVE YEAR BALANCE TO THE C.I.P. PROGRAM. FIRST OF ALL, I MENTIONED THIS PREVIOUSLY, WE WILL BE ASKING FOR A REALLOCATION OF SOME PREVIOUS BOND 2000 FUNDING. THIS IS ACTUALLY A GOOD NEWS STORY ON TWO FIRE CONSTRUCTIONS THAT WE'VE RECENTLY COMPLETED THAT WE HAD SEVERAL HUNDRED THOUSAND DOLLARS IN EXCESS, ESSENTIALLY UNDER BUDGET. AND WE WANT TO UTILIZE THAT FUNDING FOR AN ADDITIONAL FIRE STATION THAT'S IN THE PROPOSED PLAN. THE FIVE PROJECTS THAT ARE LISTED HERE ARE DRAINAGE PROJECTS IN THE CROSSROADS EAST AREA THAT WE'RE LOOKING FORWARD TO FOR SOME TIME IN THE FUTURE. TWO OF THESE PROJECTS WERE PROPOSED AS PART OF THE BOND PROGRAM WHICH ARE THE TWO IN THE MIDDLE HERE AND THE REST WE WILL CONTINUE TO LOOK FOR FUNDING IN THE FUTURE, EITHER FROM FLOOD CONTROL DISTRICT OR FROM OTHER SOURCES. AND AGAIN, WE DO HAVE A LONG LIST OF PROJECTS IN THE C.I.P. THAT WOULD NEED FUNDING AT SOME POINT IN THE FUTURE. THESE ARE NOT CRITICAL AT THIS POINT IN TIME BUT THEY ARE GROWING IN URGENCY, THE LONGER WE DON'T FUND THESE PROJECTS. SO WE'D LIKE TO KEEP OUR EYES ON SOME OF THESE IMPROVEMENTS AND WHEN THE OPPORTUNITY IS RIGHT, THESE WOULD BE PROPOSED AS HIGH PRIORITY PROJECTS. SO WITH THAT, IS THERE ANY QUESTION ON THE C.I.P. PORTION? IF NOT I'LL MOVE ONTO THE PUBLIC WORKS BUDGET.

Mayor Lane: I HAVE NO QUESTIONS FOR YOU AT THIS POINT IN TIME.

Derek Earle: THANK YOU. PUBLIC WORKS IS AN ORGANIZATION. IT'S A \$69 MILLION APPROXIMATELY OF OPERATING BUDGET CONSTITUTED IN FIVE DEPARTMENTS. AS I GO THROUGH THE PRESENTATION I'M ACTUALLY GOING TO FOCUS ON EACH OF THESE DEPARTMENTS INDIVIDUALLY. ONE OF THE REASONS THAT I'M GOING TO DO THAT, EACH OF THESE DEPARTMENTS IS A LITTLE BIT UNIQUE TO PUBLIC WORKS. EACH OF THESE DEPARTMENTS TOTALLY HAS A DIFFERENT FUNDING SOURCE. FOR EXAMPLE, THE CAPITAL PROJECT FUND, FACILITIES MANAGEMENT WHICH HAS ALWAYS BEEN THE DISCUSSION UP HERE, ESPECIALLY WITH THE DIFFICULT BUDGET YEARS, IS A GENERAL FUND-FUNDED BUDGET. SOLID WASTE, SIMILAR TO WATER RESOURCES IS AN ENTERPRISE FUND. SO IT IS A BUSINESS. FINALLY STREET OPERATIONS IS FUNDED THROUGH THE TRANSPORTATION FUND THE 2/10THS PER CENT SALES TAX. SO WE'LL START WITH CAPITAL PROJECT MANAGEMENT. TWO PIECES TO IT: ASSET MANAGEMENT AND CAPITAL PROJECT MANAGEMENT. C.P.M. MANAGES ALL OF THE CAPITAL PROJECTS FOR THE CITY. AT THE TIME WE CAME FORWARD WITH THE BUDGET RECOMMENDATIONS FOR THIS YEAR, WE REQUESTED ACTUALLY 6 F.T.E.S, AND THAT SOUNDS LIKE QUITE A FEW. HOWEVER, WHEN YOU LOOK AT THAT, ONE OF THOSE WAS IN ASSET MANAGEMENT TO TRY TO ENHANCE THE ABILITY TO MANAGE THE LEASES AND LICENSES THE CITY HAS THROUGHOUT THE CITY. WE'VE GOT 80-PLUS OF THOSE, AND OUR GOAL IS TO MAXIMIZE THE REVENUE THAT WE RECEIVE. THAT'S NOT IN THE CURRENT BUDGET THAT'S PLANNED. ALSO IN CAPITAL PROJECT MANAGEMENT. THIS IS WHAT I CALL CONTINGENT POSITIONS. AS YOU KNOW, WITH THE MOVING FORWARD OF THE BOND PROGRAM, IF THAT BOND PROGRAM IS SUCCESSFUL, IT WOULD GENERATE THE NEED FOR

ADDITIONAL F.T.E.S WITHIN CAPITAL PROJECTS. THERE IS NO BUDGET IMPACT ON THE GENERAL FUND FROM THOSE F.T.E.S, THOSE ARE FUNDED THROUGH THE CAPITAL PROGRAM. AGAIN THOSE ARE NOT IN THE PROPOSAL. IF WE ARE SUCCESSFUL WITH THE BOND PROGRAM IN THE FALL, WE WILL LIKELY BE BACK NEXT YEAR FOR THESE ADDITIONAL F.T.E.S. WE DO HAVE ONE REQUEST WITHIN THE C.P.M. THAT IS A FUNDED REQUEST AND THAT IS FOR AN INTEGRATED PROJECT MANAGEMENT SOFTWARE. IN ALL HONESTY WE ARE STILL OPERATING IN THE 1990s WITH SOME OF THE EQUIPMENT THAT WE USE TO DO CASHFLOW, BUDGETING AND ESTIMATING, AND THIS IS REALLY AN ATTEMPT TO BRING US UP TO THE 21ST CENTURY AND GET MORE ACCURATE, ESPECIALLY WITH THE LEVEL OF DETAIL THAT'S GOING TO BE NECESSARY FOR MANAGING C.I.P. GOING FORWARD.

[Time: 04:59:28]

Mayor Lane: DEREK, IF I MIGHT, THE FUND FOR THE INTEGRATED PROJECT MANAGEMENT SOFTWARE, WILL THAT HELP ALLEVIATE OR MAYBE HAVE SOME GREATER CONTROL OVER THE ASSET MANAGEMENT, AND MAYBE EVEN A SHORTFALL OF THE ADDITIONAL PERSON THAT YOU WERE MENTIONING.

Derek Earle: SOME OF THESE PROGRAMS THAT WE'RE LOOKING AT DO HAVE AN ASSET MANAGEMENT, BUT THEY'RE A LITTLE BIT DIFFERENT BUSINESS THAN MANAGING CAPITAL CONSTRUCTION PROJECTS. SOME DO HAVE MODULES THAT THEY CALL ASSET MANAGEMENT MODULES AND AS WE REVIEW THIS, WE'RE GOING TO LOOK AT OPPORTUNITIES TO INCORPORATE THAT.

Mayor Lane: AND YOU DID MENTION SOMETHING ELSE WITH REGARD TO THE CAPITAL ASSET MANAGEMENT PERSONNEL THAT YOU WERE LOOKING TO ADD. DO WE HAVE A SENSE THAT THE CITY'S LOSING SOMETHING WITH MAYBE LESS THAN ATTENTIVE ATTENTION TO SOME OF THE CAPITAL ASSESSMENT MANAGEMENT?

Derek Earle: IN ESSENCE, WITHOUT THE ADDITIONAL F.T.E.S THAT WE'VE REQUESTED, IT DOES A COUPLE OF THINGS. IN ESSENCE, IT SLOWS DOWN THE PROGRAM, THE C.I.P. PROGRAM, WITH 100-PLUS PROJECTS IN THE C.I.P., \$500 MILLION OVER FIVE YEARS. WE'VE GOT TO HAVE MANAGERS TO RUN THE PROJECTS. SO WITH FEWER MANAGERS WE HAVE THE ABILITY TO MANAGE FEWER PROJECTS AT A TIME. THAT IS A MINOR DIFFICULTY BUT IT'S IMPORTANT BECAUSE ONE OF THE REASONS, IT IS A LOT OF WORK TO MANAGE TO CARRY THESE THROUGH. AND THESE ARE THE CITY'S REPRESENTATIVES, THE OWNER'S REPRESENTATIVES THAT ARE MAKING SURE THAT IT'S BUILT AND DELIVERED ACCORDING TO OUR STANDARDS.

Mayor Lane: I UNDERSTAND, OKAY, THANK YOU.

Derek Earle: FACILITIES MANAGEMENT AND OF TIME WAS SPENT ON THIS LAST YEAR. I'M ACTUALLY GOING TO HIGHLIGHT SOME SUCCESSES FROM THIS LAST YEAR WHICH WE WERE VERY PLEASED WHEN COUNCIL DID FUND US ABOUT \$850,000 ADDITIONAL FUNDING. WE DID COME FORWARD WITH A REQUEST. AND I'VE ACTUALLY BROKEN DOWN THESE F.T.E.S A LITTLE BIT DIFFERENTLY, BECAUSE THE BOTTOM LINE RIGHT HERE IS WHAT'S SO IMPORTANT FOR FACILITIES' MANAGEMENT. THESE ARE OUR FRONTLINE PEOPLE. THESE ARE THE PEOPLE WORKING OUT THERE, CHECKING THE

ELECTRIC SYSTEMS, THE A.C. SYSTEMS, CHECKING THE PLUMBING. THESE ARE VERY IMPORTANT POSITIONS. AND THIS IS WHERE WE'VE BEEN STRUGGLING OVER THE YEARS TO BE MORE PROACTIVE WITH OUR PREVENTATIVE MAINTENANCE. ONE ACTION WAS FUNDED IN THE PROPOSAL. THERE WERE FOUR THAT WERE NOT FUNDED. ALSO LAST YEAR, YOU HAD FUNDED A ONE YEAR CONTRACT COORDINATOR WHICH IS A ONE YEAR PROGRAM. THAT WAS NOT CONTINUED. THAT WAS NOT REPLACED IN THE BUDGET, SO CURRENTLY FACILITIES MANAGEMENT WILL BE LOOKING AT ONE ADDITIONAL F.T.E. IF THE BUDGET IS APPROVED AS IT'S DEMONSTRATED.

[Time: 05:02:37]

SOME ADDITIONAL REQUESTS. THIS IS NOT F.T.E. RELATED. ALTHOUGH YOU WILL SEE THE F.T.E. ON HERE FOR THE A.C. TECHNICIAN. SOME OF THE THINGS THAT WE THOUGHT THAT WE NEEDED TO ADD, WHAT YOU'RE SEEING HERE ARE PARTIAL YEAR BUDGET REQUESTS BECAUSE WE'LL NOT HAVE THE EQUESTRIAN CENTER FOR A FULL YEAR. THEREFORE, THIS YEAR IT'S GOING TO BE A LARGER INCREASE. UTILITIES ARE GOING UP, ELECTRICITY IS GOING UP, WE'RE SEEING INCREASES IN GAS COSTS AND BRIAN, SORRY TO SAY, WE'RE ACTUALLY SEEING MORE INCREASES IN OUR WATER COSTS. SO WE'RE GETTING CHARGED FOR WATER MORE. I SEE THAT BRIAN LEFT, GUESS HE DIDN'T WANT TO OWN UP TO THAT. WHETHER THERE'S A WATER INCREASE ON THE COMMERCIAL RATES WE DO PAY THOSE, AND EVEN SOME OF OUR ENTERPRISES LIKE SEWERS AND SOLID WASTE, WE OCCASIONALLY GET INCREASES. SO THESE ARE WHAT WE CALL "HAVE TO HAVE," WE DON'T REALLY HAVE A CHOICE. WE KNOW THE UTILITIES ARE GOING TO GO UP. AND AN ADDITIONAL ITEM HERE. LAST FISCAL YEAR, THE COUNCIL APPROVED A \$50,000 ADDITIONAL ALLOCATION TO MAKE UP FOR SOME OF THE BAD YEARS WE HAD IN TERMS OF FUNDING. THIS YEAR WE MADE AN ADDITIONAL REQUEST TO TRY AND CLAW BACK THE REST OF THE WAY IN OUR DEFERRED MAINTENANCE AND COMBINED WITH LAST YEAR. THIS WOULD GET US A LONG WAY TO AT LEAST GETTING US CAUGHT UP TO A LOT OF OUR DEFERRED MAINTENANCE. I WON'T GO THROUGH THIS, YOU CAN SEE HOPEFULLY ON THE RIGHT A LOT OF "COMPLETEDS." THIS IS A SHORT LIST OF PROJECTS THAT THE COUNCIL DID PROVIDE FUNDING LAST YEAR. AND OF COURSE I HAD TO SHOW AT LEAST A FEW SUCCESS PICTURES WHERE WE'VE REPLACED SOME WALKS. THE CIVIC CENTER PARKING GARAGE WHERE WE'VE DONE SOME REPAINTING AND TOUCHING UP. UNFORTUNATELY THIS ACTUALLY LED TO SOME INADVERTENT NEWS AS WE DID AN INSPECTION OF THE STRUCTURE. WE'VE HAD A STRUCTURAL ENGINEER LOOK AT IT, AND THIS STRUCTURE IS IN NEED OF SOME SHORT TERM REPAIRS AS WELL AS SOME LONGER TERM REPAIRS, REPAINTING BUILDINGS, AND THE INFAMOUS PLUMBING FIXTURES. WE UNDERSTAND AGAIN THAT WE'RE TRYING TO KEEP THINGS VERY TIGHT BUT THESE WERE PRIMARILY THE FRONT-LINE POSITIONS THAT I HAD MENTIONED. THESE ARE THE GUYS THAT ARE GOING TO BE DOING THE PREVENTIVE MAINTENANCE, YOU KNOW, CHECKING THE AIR CONDITIONING TO MAKE SURE THAT THEY'RE NOT SHORTING OUT OR CHECKING THE ELECTRICS. THE CITY MANAGER HAD SHOWN THIS PREVIOUSLY, FACILITIES HAVE CONTINUED TO GROW. STAFFING'S BEEN FLAT. AND THIS IS REALLY THE KEY INDICATION ON FACILITIES MANAGEMENT. FACILITIES MANAGEMENT ON PREVENTIVE MAINTENANCE, P.M.S THAT'S WHAT WE CALL THEM. AS YOU CAN SEE STARTING AT THE TOP, CRITICAL INFRASTRUCTURE WE HAVE TO GET OUT THERE AND WE DO HAVE TO CHECK THESE. BUT AS YOU GO DOWN THE LIST, H.V.A.C., BUILDING ROOFING, WELL, WE'RE NOT EVEN DOING THE INSPECTIONS THAT A TYPICAL PRACTICE WOULD SUGGEST WE NEED TO DO. IN A BAD WAY, WE DON'T KNOW WHAT WE DON'T KNOW BECAUSE WE'RE NOT ACTUALLY ABLE TO GET OUT AND INSPECT THOSE FACILITIES.

[Time: 05:06:34]

I'LL MOVE ON TO FLEET MANAGEMENT. FLEET MANAGEMENT RUNS ABOUT 1300 VEHICLES FOR THE CITY. THERE'S NO CHANGES IN THE F.T.E.S REQUESTED. THERE WERE TWO FUNDING REQUESTS THAT WERE INCLUDED IN THE BUDGET PACKAGE. ONE OF THOSE IS A FUEL COST INCREASE FOR C.N.G. AND DIESEL FUEL THAT'S USED FOR TRANSIT BUSES AND IN ADDITION, ONE OF THE INTERESTING THINGS ABOUT FLEET MANAGEMENT IS THAT IT HAS A FIVE YEAR VEHICLE REPLACEMENT PLAN; IT'S BASED ON THE LIFECYCLE OF THE VEHICLES. WE HAVE BEEN UNDERFUNDED ON THAT IN THE PAST. THE AMOUNT THAT WE'RE ASKING HERE IS ACTUALLY THE FUNDING LEVEL THAT WOULD ALLOW US TO CONTINUE WITH OUR REPLACEMENT PLAN. WE'VE TAKEN GREAT PAINS TO EVALUATE THE LIFECYCLE OF ALL THE VEHICLES THAT WE HAVE AND TO DETERMINE HOW LONG THOSE WERE ON THE ROAD DURING THE LAST SEVERAL YEARS. WE HAVE EXTENDED THAT TIME, WHICH HAS INCREASED THE AMOUNT OF MAINTENANCE ON THOSE VEHICLES. SO THIS IS ACTUALLY PART OF OUR FIVE YEAR FLEET REPLACEMENT PLAN. IN THE PAST WHEN WE PUT THESE NUMBERS BEFORE, IT WAS ACTUALLY REDUCED BELOW WHAT OUR PLAN WAS. THIS IS ACTUALLY OUR PLAN NUMBER FOR FLEET MAINTENANCE. A COUPLE OF QUICK SLIDES TO SEE WHERE FUEL PRICES ARE GOING. C.N.G. HAS BEEN DROPPING ESSENTIALLY. BUT WE DON'T KNOW IF THAT'S THE LONG-TERM ON IT. THE REST OF THESE ARE THE CLASSIC FOSSIL FUELS. WE ARE WORKING WHERE WE CAN TO INCREASE THE USE OF C.N.G. AS THE MORE STABLE PRICING FUEL OF NOW. WE'RE USING THAT PRIMARILY IN THE SOLID WASTE VEHICLES RIGHT NOW, WE DO HAVE SOME CITY VEHICLES THAT HAVE THAT AS WELL.

SOLID WASTE MANAGEMENT. THIS IS ONE OF THE AREAS WHERE WE'VE REQUESTED AN ADDITIONAL FULL-TIME EMPLOYEE. AS YOU KNOW, SOLID WASTE MANAGEMENT RATES HAVE BEEN STABLE AND ARE PROJECTED TO REMAIN STABLE. WE CONTINUE TO HAVE AN OUTSTANDING ORGANIZATION WITH EXCELLENT CUSTOMER SERVICE. WE'RE VERY PROUD OF THIS ORGANIZATION. THIS FTE TIED WITH ONE OF THE CAPITAL PROJECTS THAT WAS OPPOSED IS AGAIN TRYING TO BRING OUR SOLID WASTE ORGANIZATION INTO THE 21ST CENTURY. WE HAVE MULTIPLE COMPUTER SYSTEMS THAT MANAGE G.I.S., THAT MANAGE CUSTOMER SERVICE, ET CETERA. THIS POSITION WILL HELP INTEGRATE THOSE SYSTEMS AND THE CAPITAL PROJECT WILL BRING ON THE CAPITAL TRACKING SOFTWARE. WE'RE GOING TO BE ABLE TO MORE EFFICIENTLY ROUTE OUR VEHICLES THROUGH OUR ROUTE PICKUPS. THERE ARE SOME BUDGET INCREASES THAT WERE REQUESTED FOR SOLID WASTE. THESE ARE ALL WITHIN THE ENTERPRISE FUNDS AND THESE WILL NOT HAVE ANY IMPACT ON THE RATES. THE SYSTEMS INTEGRATOR THAT I JUST MENTIONED, WE HAVE OVER 100, I BELIEVE IT'S 150,000 PLASTIC CONTAINERS OUT THERE THAT WE PICK UP THE TRASH AND THEY WEAR OUT, AND WE DO NEED TO REPLACE THEM WITH SOME NEW CONTAINERS. THERE HAS BEEN MORE SENSITIVITY TO SPILLS FROM TRUCKS. ESPECIALLY HYDRAULIC FLUID IF THERE ARE LEAKS. SO THIS IS THE COST OF A PROFESSIONAL THAT CAN COME OUT AND ACTUALLY CLEAN UP THOSE LEAKS. AND FINALLY SPECIAL EVENTS. WE DO INCUR OVERTIME CHARGES TO OUR STAFF FOR HOSTING HOUSEHOLD HAZARDOUS WASTE AND SOME OTHER SPECIAL EVENTS.

STREET OPERATIONS. THEY MAINTAIN THE STREETS. THERE ARE SOME BUDGET INCREASES REQUESTED AND THIS IS CONSISTENT WITH THE AVAILABILITY ALSO OF TRANSPORTATION SALES TAX FUNDING WHICH HAS INCREASED OVER THE LAST YEAR. WE'D LIKE TO INCREASE THE FUNDING FOR STREET OVERLAY PROGRAMS; THIS IS CRITICAL. AS WE HAVE LEARNED, WE'VE TRIED TO KEEP THE P.C.I. OR PAVEMENT CONDITION INDEX, AND WE ARE ACTUALLY GOING IN REVERSE. WE ARE DOWN

IN THE 70s, OUR TARGET WOULD BE TO GET THAT UP MUCH HIGHER. THE SECOND ONE IS, I DON'T WANT TO SAY IT'S HUMOROUS, THE DRAIN COVERS ARE GETTING STOLEN. AND WE ACTUALLY HAD AN INCIDENT WHERE ONE WAS STOLEN, AN INDIVIDUAL ON A BICYCLE RAN THROUGH IT, AND WE HAD A VERY SIGNIFICANT LEGAL CLAIM AS A RESULT. THIS IS AN INVESTMENT TO TACK THESE DOWN SO THAT THEY CAN'T EASILY BE PICKED UP. APPARENTLY THEY'RE ALSO REALLY GOOD FOR CAMPFIRES AND PUTTING OVER FOR GRILLS.

Mayor Lane: LET'S NOT MAKE ANY SUGGESTIONS ON AIR HERE.

[Time: 05:11:23]

Derek Earle: OUR GOAL IS TO TRY TO KEEP THEM IN PLACE AS A RESULT. SO WITH THAT I'LL BE GLAD TO ANSWER ANY QUESTIONS CONCERNING THE PUBLIC WORKS BUDGET.

Mayor Lane: THANK YOU VERY MUCH, DEREK. COUNCILWOMAN MILHAVEN.

Councilwoman Milhaven: I WANT TO GO BACK TO THE CAPITAL IMPROVEMENT PROJECTS AND THE GENERAL FUND. SO IF THERE WERE SOME PROJECTS THAT THE CITIZENS TASKFORCE IDENTIFIED AS HIGH PRIORITIES, WE SEE SOME OF THOSE BUT THEN WE SEE SOME OTHERS, SO I GUESS MY QUESTION IS, WHY ARE SOME OF THESE PROJECTS, ARE WE SEEING THESE FOR THE FIRST TIME, I WOULD THINK THAT THE BOND PROJECTS AND THESE CAPITAL IMPROVEMENTS WOULD DOVETAIL TOGETHER, THAT THIS PICKS UP WHERE THE BOND LEAVES OFF?

Derek Earle: SOME OF THESE ARE SHORTER-TERM PROJECTS AND THERE ARE SMALLER PROJECTS. FOR EXAMPLE, THE SYS BUILD-OUT, IT WAS MORE SUPPLEMENTAL FUNDING. IT HAS BEEN ALREADY FUNDED THROUGH THE PROGRAM, SO \$300,000 WAS JUST ADDITIONAL FUNDING TO BE ABLE TO CLOSE OUT THE PROJECT. FROM THERE ON DOWN ARE WHAT WE CALL PROGRAMMATIC ACCOUNTS THAT ARE LESS FORMALLY DESIGNATED. THEY'RE NOT SPECIFIC FOR A PROJECT OR SPECIFIC FOR A PURPOSE. FOR EXAMPLE, WE KNOW WE NEED TO HAVE A CERTAIN AMOUNT ALLOCATED FOR...

Councilwoman Milhaven: A MILLION DOLLARS FOR STADIUM AND \$4 MILLION FOR WESTWORLD FOR MY MONEY, I CAN FIND A BETTER USE FOR \$4 MILLION THAN TO PAVE A PARKING LOT FOR WEST WORLD GIVEN EVERYTHING THAT WE'VE ALREADY INVESTED THERE. SO I GUESS I'M TRYING TO SAY, HELP ME UNDERSTAND WHY \$4 MILLION AT WESTWORLD IS A PRIORITY, AND WHY IT WOULD TAKE PRIORITY OVER SOME OF SEVERAL OF THE PROJECTS THAT WERE CUT OFF THE BOND LIST.

Derek Earle: THE STADIUM IMPROVEMENTS AND THE WESTWORLD OFFICE EVENT AREA AND PARKING ARE MORE RECENT PROJECTS. THESE HAVE REALLY BEEN IN THE WORKS FOR THE LAST 60-90 DAYS. THEY COULD BE CANDIDATES POTENTIALLY FOR BOND FUNDING BUT THERE'S ALSO MORE URGENT NEED TO GET THESE ON THE GROUND AS WELL. AS I MENTIONED, THE STADIUM IMPROVEMENTS, ONE OF THEM IS REPLACING 1200 SEATS THAT ARE WORN OUT. THOSE REALLY NEED TO BE REPLACED NOW, NOT CONTINGENT UPON A BOND PROGRAM. SO I APPRECIATE IT, BUT MORE OF THESE ARE CONTINGENT ON THE TIMING, AND NOT WHETHER THEY'RE A BOND OR NOT.

Councilwoman Milhaven: THE ONES THAT ARE IN THE BUDGET, IT BECOMES, YOU SAID THAT YOU WANTED TO DO IT IN THE BUDGET. SO I GUESS I WANT TO GO ON THE RECORD AND SAY, I NEED A LOT MORE INFORMATION BEFORE I CAN SUPPORT THE WESTWORLD IMPROVEMENTS AND WHY IS THAT MORE IMPORTANT THAN SOME OF THE PUBLIC SAFETY THINGS THAT WERE ON THE BOND... EXCUSE ME, AND IF WE'RE DOING AN ADDITIONAL C.I.P. TRANSFER ABOVE AND BEYOND WHAT OUR NORMAL POLICY IS, I'D LIKE TO KNOW THAT WHAT WE'RE GETTING FOR OUR MONEY IS GOING TO DELIVER MORE VALUE THAN THE WEST WORLD PROJECT. SO THAT'S ONE, AND I NEED MORE DETAIL AROUND ALL THESE TO MAKE A DECISION. AND THEN SECOND, I KNOW WE'VE BEEN APPROACHED FROM FOLKS FROM MARSHALL WAY WHO ARE LOOKING TO DO SOME IMPROVEMENTS FOR MARSHALL WAY FOR TOURISTS AND TO PROMOTE THE GALLERY COMMUNITY AND I THINK THEY WERE LOOKING FOR \$150,000 TO DO THAT. I'D LIKE TO ADD THAT TO THE PROJECT, THE LIST OF THE CAPITAL PROJECTS THAT WOULD BE DONE IN THE COMING YEAR. I DON'T KNOW IF I NEED A MOTION TO DO THAT OR JUST...

[Time: 05:15:03]

Mayor Lane: ACTUALLY WE'RE NOT HERE FOR ACTION ITEMS BUT WE ARE FOR DIRECTION. YOU KNOW, I UNDERSTOOD THAT ONE OF THE THINGS THAT WE'RE LOOKING AT WITH THESE FUNDS ARE GENERAL FUND ISSUES. AND FRANKLY WE HAVE SOME CROSSOVER ALREADY AS FAR AS THE APPLICATION OF THIS. I'M WONDERING WHETHER OR NOT IS THAT SOMETHING THAT'S A ONE-TIME COST. AND I KNOW THAT THEY'VE TALKED TO A FEW OF US ABOUT THIS AND FRANKLY THIS IS A RESULT EARLIER OF THE ECONOMIC DEVELOPMENT SUBCOMMITTEES' COMMITMENT ON THIS. NOT COMMITMENT BUT RATHER...

Councilwoman Milhaven: DISCRETION?

Mayor Lane: YEAH. SO I WOULD THINK THAT THIS IS A, I THINK THAT'S A PERFECT CANDIDATE FOR THE TOURISM. PARTICULARLY THAT SLICE OF THE \$500,000 THAT'S A CROSSOVER OF A SMALLER CAPITAL PROJECTS. THAT'S NOT A SERVICE, BUT THAT MIGHT BE A BETTER PLACE FOR IT.

Derek Earle: MAYOR LANE, COUNCILWOMAN MAILHAVEN, AS FAR AS THE MARSHALL WAY ENTRY, WE'D LIKE TO BE ABLE TO GET MORE SOLID NUMBERS ON IT, WHETHER IT WAS THROUGH THE C.I.P. SPECIFICALLY. WELL, IT WOULD BE PLACED IN THE C.I.P., BUT WHETHER IT WAS FUNDED BY BED TAX TOURISM DOLLARS OR BY ANY OTHER SOURCE THAT'S AVAILABLE OUT THERE, THAT'S SOMETHING THAT WE'RE GLAD TO WORK ON.

Mayor Lane: I THINK THAT IS SOMETHING THAT NEEDS TO BE BROUGHT FORWARD ON A NUMBER OF DIFFERENT LEVELS BUT I THINK THAT MIGHT BE THE SOURCE OF FUNDING ON THAT RATHER THAN WHAT WE'RE TALKING ABOUT HERE. THANK YOU, COUNCILWOMAN. COUNCILMAN PHILLIPS?

Councilmember Phillips: THANK YOU MAYOR. THESE ARE PROBABLY MORE COMMENTS THAN ANYTHING. IN THE FLEET SECTION, YOU WERE SAYING THAT IT'S A FIVE YEAR LIFE?

Derek Earle: I'M SORRY, MAYOR, COUNCILMAN PHILLIPS, IT ACTUALLY MIGHT BE A REPLACEMENT PLAN. IT'S WHAT WE PLAN TO REPLACE OVER TIME. EACH VEHICLE HAS A DIFFERENT LIFE SPAN DEPENDING ON THE TYPE OF VEHICLE.

Councilmember Phillips: I WAS WONDERING THAT BECAUSE WHEN I SEE THE CITY TRUCKS GO BY ME, THE TRUCKS LOOK A LOT BETTER THAN MINE. THE DRAINAGE GRATES, I THINK IF WE'RE GOING TO END UP WITH A LAWSUIT OVER THAT OR SOMETHING, WE CAN TAKE THAT OUT OF THE CONTINGENT FUNDING. IN THE MEANTIME KIDS ARE FALLING DOWN IN THE HOLES. SO I THINK THAT'S SOMETHING THAT'S GOING TO BE DEALT WITH FAIRLY QUICKLY.

[Time: 05:17:36]

Derek Earle: MAYOR, COUNCILMAN PHILLIPS. IT'S NOT SOMETHING THAT I CALL AN EPIDEMIC, IT'S MORE OF THE RESULT OF A CLAIM THAT WE HAVE IN THE PROCESS. I CAN'T SAY A LOT ABOUT IT RIGHT NOW, I'D GET SHOT BY LEGAL IF I DID. BUT THIS IS GOING TO BE DONE WITH OVERTIME OF OUR OWN EMPLOYEES. THEY'RE GOING TO GO OUT AND TACK THESE THEMSELVES. SO 30-60 DAYS FOR A BUDGET APPROVAL IS NOT A PROBLEM FOR US. WE'RE NOT SEEING IT AS AN EMERGENCY AS MUCH AS IT IS BEING PROACTIVE.

Councilmember Phillips: AND HOPE THAT DOESN'T HAPPEN AGAIN IN THE MEANTIME. AND JUST A SAD STATEMENT TO OUR SOCIETY. WE HAD TO HAVE A HAZMAT TEAM GO OUT AND PICK UP THE HYDRAULIC SPILLS FROM THE TRUCKS. THAT'S JUST OUTRAGEOUS, THANKS FOR YOUR TIME.

Mayor Lane: THANK YOU COUNCILMAN, COUNCILMAN ROBBINS?

Councilman Robbins: MR. EARLE, THE SUPPLEMENTAL SLIDES FOR THE DEFERRED MAINTENANCE REINVESTMENT? THOSE ARE UNFUNDED? THESE ARE REQUESTS?

Derek EARLE: ACTUALLY, I HAD THESE IF YOU HAD ANY QUESTIONS CONCERNING THE ADDITIONAL DEFERRED FUNDING THAT WAS SET IN THE BUDGET FOR THIS YEAR. THIS WAS JUST TO PROVIDE SOME DEMONSTRATION OF THE TYPES OF PROJECTS THAT WOULD BE ADDRESSED. SO THESE ARE CURRENTLY IN THE PROPOSED BUDGET TO FUND THESE TYPES OF REPAIRS. I JUST WANTED TO BE PREPARED IF YOU HAD ANY QUESTIONS TO GIVE YOU ANY INDICATIONS AS TO WHAT THOSE REPAIRS WOULD BE.

Councilman Robbins: SO THIS IS THE GENERAL FUND C.I.P. MONEY?

Derek Earle: NO, MAYOR, COUNCILMEMBER ROBBINS, THIS IS \$850,000 TO FACILITIES MAINTENANCE. THIS IS JUST A STRAIGHT-UP FUND OPERATING INCREASE TO FACILITIES MANAGEMENT.

Councilman Robbins: AND SO UNLIKE LAST YEAR, YOU'RE NOT COMING TO A US WITH AN ADDITIONAL LIST OF EVERYTHING THAT YOU NEED, LIKE IF YOU NEED ANOTHER \$500 OR A MILLION OUT OF THE FUND RESERVE. YOU DON'T HAVE A LIST LIKE THAT.

Derek Earle: THE ONLY DIFFERENCE BETWEEN THIS YEAR AND LAST YEAR, THIS YEAR IT WAS INCLUDED IN THE CITY MANAGEMENT BUDGET AND LAST YEAR IT WAS NOT. AND I THINK DAN CAME FORWARD SAYING THAT THESE FUNDS WERE BADLY NEEDED. THIS YEAR IT'S IN THE PROPOSED BUDGET. SO IF THE BUDGET IS PASSED AS IT'S PROPOSED OR CLOSE TO IT, THESE PROJECTS WOULD BE TAKEN CARE OF.

Councilman Robbins: OKAY, GREAT, THANK YOU.

Mayor Lane: THANK YOU, COUNCILMAN. MR. EARLE, I THINK THAT TAKES CARE OF THINGS. THANK YOU VERY MUCH. VERY GOOD PRESENTATION. WHICH MOVES US ALONG TO 8F WHICH IS OUR COMMUNITY SERVICES. BILL MURPHY.

[Time: 05:20:35]

Bill Murphy: GOOD EVENING, MAYOR.

Mayor Lane: I WASN'T GOING TO STOP NOW, BUT BILL'S BEEN WAITING. WELL, WE'RE NOT EVEN AT 10:00 YET.

Vice Mayor Klapp: YEAH, YOU CAN EVEN GET A FEW MORE IN.

Bill Murphy: BEFORE YOU MAKE UP YOUR MIND, I'LL GET GOING. GOOD EVENING, MAYOR, AND MEMBERS OF THE COUNCIL. I'M HERE TO GIVE YOU OUR BUDGET ON THE COMMUNITY SERVICES DIVISION AND JUST FIRST TO KIND OF GO THROUGH, IT'S MADE UP OF THE PARKS AND HUMAN SERVICES AND THE LIBRARY. IF YOU SPLIT THAT UP BY THE BUDGET, THE PRESERVE IS ABOUT 1%, PARKS AND REC IS 45%, AND HUMAN SERVICES 34%, AND LIBRARY 19%. WE HAVE 454 FTES IN OUR PROJECT SO THERE'S NO CHANGE TO ANY OF THOSE. BUT WHEN YOU TALK ABOUT HOW DIVERSE OUR DIVISION IS, WE RIGHT NOW MAINTAIN 27,800 ACRES WITHIN THE MCDOWELL SONORAN PRESERVE, AND IN PARKS AND RECREATION WE HAVE 42 PARKS THAT ARE 975 ACRES, SO WITHIN PARKS AND RECREATION THAT WE MAINTAIN. AND WE MAINTAIN THE MEDIANS AND THE RIGHTS-OF-WAY THROUGHOUT THE DOWNTOWN AREA. AND HUMAN SERVICES, WE PROVIDE LEISURE PROGRAMS AND RECREATION SERVICES FOR OUR SENIORS. AND WHETHER THOSE MIGHT BE THROUGH FEDERAL OR COUNTY GRANTS AS WELL AS SOME OF THE CONTRACTS WE HAVE WITH SOME OF OUR NON-PROFIT AGENCIES. AND FINALLY, THE LIBRARY WE HAVE FIVE LIBRARIES, THEY HAVE 167 BORROWERS, LAST YEAR WE HAVE 1.5 MILLION PEOPLE COME TO THE LIBRARIES AND THEY CHECKED OUT 3.6 MILLION ITEMS. OUR STAFF IS RESPONSIBLE FOR THE LIBRARY BOARD AND WE'RE ALSO MONITOR THREE COMMISSIONS. THEY ACT AS THE LIAISONS FOR THE MCDOWELL SONORAN PRESERVE BOARD, HUMAN SERVICES AND THE PARKS AND RECREATION. I WANT TO TOUCH ON THE GENERAL PLAN FROM 2001 AND I JUST WANTED TO TOUCH ON SOMETHING THAT WE PROVIDE IN COMMUNITY SERVICES. SO IN THE PRESERVE MEETING OPENING SPACES, WE KEPT THEM WELL-MAINTAINED. PINNACLE PEAK PARK, WE HAVE OVER 220 VISITORS WHO ATTENDED LAST YEAR. THE MCDOWELL MOUNTAINS, WE'RE ADDING 52 MILES OF TRAIL WITH THE ACQUISITION IN THE DEVELOPED AREAS UP NORTH. IN THE NEIGHBORHOODS, WE PROVIDE AFTER-SCHOOL PROGRAMS, OUR SUMMER RECREATION PROGRAMS WE HAD OVER 2100 CHILDREN WHO WERE IN OUR PROGRAMS LAST SUMMER, AND ALMOST 32,000 PEOPLE WHO LEARNED TO SWIM, AND OF THAT, 69% OCCURRED IN

THE SUMMER MONTHS. WE'VE BEEN PROMOTING EARLY LITERACY AS ONE OF THE CORE VISIONS IN THE LIBRARY. WE'VE BEEN ABLE TO DO THE FAMILY SELF-SUFFICIENCY PROGRAM THROUGH OUR HUMAN SERVICES SECTION 8 PROGRAM. AND WE WORK CLOSELY WITH OUR PUBLIC SAFETY STAFF AS WELL AS THE PUBLIC WORKS THAT DEREK HAD MENTIONED. LAST YEAR WE RESPONDED TO 62 CALL-OUTS. SO SOME OF THAT OIL THAT YOU SEE ON THE ROAD SOMETIMES IS PREPARED BY THOSE AREAS. WHEN WE TALK ABOUT SUSTAINABILITY, WE ARE VERY CONSCIENTIOUS TO TRY TO BE A PARTNER IN THE PROGRAM IN ANY WAY THAT WE CAN. AND WE HAVE REDUCED THAT NUMBER BY 24% SINCE 2001. AND SO WE'VE STAYED UNDER THOSE TARGETS.

[Time: 05:24:34]

WE CONTINUE TO LOOK AT AREAS WHERE WE CAN DO SOME XERISCAPES AND CONVERSIONS. WE'RE CONTINUALLY MAINTAINING WITH OUR STAFF AUDITS AND GOOD PRACTICES FOR BUDGETS. WE WERE LOOKING AT WHERE WE CAN TAKE OUT METERS AND RIGHTS OF WAYS. SINCE THAT TIME WE'VE SAVED \$144,000 IN THE MEDIANS AND THE RIGHTS OF WAYS. STADIUM RECYCLING, EACH YEAR IN SPRING TRAINING, WE CONTINUALLY INCREASE FROM 10 TONS TO THIS PAST YEAR OF OVER 20 TONS OF RECYCLED MATERIAL. AS FAR AS CONSUMPTION FOR FUEL, WE'VE TAKEN OUR CONSUMPTION DOWN FROM 50,000 TO 46,000 OVER THIS LAST CALENDAR YEAR, AND WE ALSO WORK WITH FLEET TO UTILIZING SEVEN ELECTRIC CARTS AND SOLAR CARTS WHICH WILL HAVE A NET EFFECT OF 60 GALLONS OF GAS A YEAR IN SAVINGS. AND WE'RE VERY PROUD OF THIS, THAT WE HAVE LOTS OF VOLUNTEERS WHO CONTINUE TO SUPPORT WHAT WE DO IN COMMUNITY SERVICES. LAST YEAR WE HAD OVER 4500 VOLUNTEERS. AND IF YOU FIGURE OUT, THAT'S 82 F.T.E.S TO HELP WHAT WE WANT TO ACCOMPLISH. FOR THE SAN FRANCISCO GIANTS AND I'LL GIVE YOU JUST A LITTLE BIT OF INFORMATION. 68% OF THE FOLKS WHO ATTENDED THE GIANTS' GAMES IN 2012, OF THOSE FANS WERE OUT OF TOWN VISITORS. THIS LAST YEAR, WE HAD ALMOST 169,000 AT OUR GAMES WITH EVEN ONE RAIN-OUT. WE MANAGE THE LIAISON THE GOLF CONTRACT WITH THE T.P.C. AND THE THIRDBIRDS LAST YEAR HAD 525,000 IN ATTENDANCE AND AN ECONOMIC IMPACT OF OVER \$200 MILLION. WHAT WE SAW LAST YEAR IN THE PAST MONTH OF MARCH. WE'VE HAD A TOURNAMENT WHICH IS CALLED THE TRIPLE CROWN AND IT HAD 74 TEAMS FROM OUT OF STATE. OVER FOUR DAYS. THEY WERE IN SEVEN HOTELS AND OCCUPIED 1700 HOTEL NIGHTS AND THEIR RESULTED DIRECTED SPENDING WAS \$250,000. OUR SCOTTSDALE SPORTS COMPLEX HAD OVER \$3 MILLION IN ECONOMIC THAT COULD BE ATTRIBUTED TO THESE EVENTS AND IT WORKED CLOSELY WITH THE CITY OF PHOENIX IN REACH 11 WITH THE 2012 U.S. YOUTH SOCCER FAR WEST REGIONAL CHAMPIONSHIPS WHICH GENERATED \$10 MILLION IN ECONOMIC IMPACT OVER A WEEK-LONG EVENT. AND FINALLY, WE CONTINUE TO KIND OF KEEP THE WESTERN LOOK AND FEEL OF SCOTTSDALE. WE MAINTAIN OUR EQUESTRIAN PARKS AT STONE GATE AND MESCAL. OUR OFF-LEASH AREA IN CHAPARALL PARK HAD OVER 236,000 PEOPLE USING, EVEN WITH THE CONSTRUCTION OF THE WATER LINE IN. WE CONTINUE TO SUPPORT THE SPECIAL EVENTS. MCCORMICK-STILLMAN PARK HAD OVER 44,000 THAT ATTENDED THE RAIL FAIR. AND WE'VE HAD OVER 156,000 ENTER THE NEW MODEL RAILROAD BUILDING WHICH WAS APPROVED BY COUNCIL YEARS AGO. THIS IS OUR 38TH YEAR FOR MIGHT MUD MANIA. LAST YEAR WE HAD 12,000 CHILDREN WENT THROUGH THAT AND OVER 700 ADULTS. WELL, WHAT ARE WE DOING THIS PAST YEAR, WE COMPLETED THE REMODEL THE SIXTH LIBRARY, ADDED A MORE EXPANSIVE AREA FOR ROOM STUDIES AND MEETING ROOMS. WE'VE ADDED FOUR MORE EFFICIENT SELF-CHECK MACHINES. AN AUTOMATED SORTING MACHINE THAT CHECKS OVER 50,000 ITEMS EACH MONTH. THAT LEAVES OUR STAFF ABOUT 10,000 ITEMS TO REPORT TO GET OUT. WE'VE ALSO ADDED

THESE AUTOMATED MACHINES AT BOTH APPALOOSA AND AT MUSTANG LIBRARY. LAST YEAR THE COUNCIL PROVIDED \$25,000 FOR US TO INCREASE THE BANDWIDTH AT ALL OF OUR LIBRARIES AS PEOPLE HAVE THE EQUIPMENT TO MOVE AROUND, THEY WANT TO HAVE QUICKER AND FASTER RESPONSE. SO THIS HAS REALLY HELPED US WITH E-DEVICE AS IT'S GONE FORWARD. WE'RE MOST PROUD OF THE FACT THAT THE LIBRARY HAS BEEN SUCCESSFUL WITH SECURING GRANTS FOR EARLY LITERACY PROGRAMS. THERE'S A PROGRAM CALLED KNOWING AND GROWING. IT'S A PROGRAM THAT'S SUPPORTED BY THE TOBACCO TAX. WE WERE FORTUNATE TO GET \$150,000 IN THE PAST YEAR, AND WE'VE HAD OVERNIGHT 10,000 ADULTS AND CHILDREN PARTICIPATE IN THIS PROGRAM WHICH IS AN INCREASE OF 10% FROM THE YEAR BEFORE. SO THIS IS OUR SECOND YEAR IN THIS PROGRAM. WE HAVE A DATABASE CALLED COLLECTION H.Q. WHICH HAS BEEN IMPROVING OUR PURCHASING TECHNOLOGY AND ALLOWS OUR BUYING STAFF TO BUDGET BOOK PURCHASES BASED ON CUSTOMER DEMAND, PUT THE ITEMS IN THE RIGHT LIBRARIES WHERE THEY NEED TO GO, AND IT'S MOSTLY USED AS A GUIDE FOR REMOVAL OF OUR MATERIALS AS WE GO THROUGH SOME WEEDING PROCESSES AS WELL.

[Time: [05:29:45]

HUMAN SERVICES. WE HAD SOME ALLOCATION WHICH WE TALKED ABOUT EARLIER THIS EVENING FOR VARIOUS AGENCIES OVER THIS LAST YEAR. JUST IN COMPARISON TO THE NINE THAT WE TALKED ABOUT TONIGHT, WE HAD 27 LICENSING AGREEMENTS LAST YEAR. WE IMPROVED, WHICH WAS ONE OF THE MAINLY OBJECTIVES FOR US LAST YEAR WAS TO LOOK AT THE VISTA DEL CAMINO FOR THE EFFICIENCIES. OUR SERVICE EFFICIENCY, CASE MANAGEMENT INTAKE INCREASED FROM A 45 DAY WAIT TO A 30 DAY WAIT EVEN WITH THE CASELOAD DEMANDS INCREASING FOR OUR STAFF. WE HAD 6900 VISITORS VISIT OUR CAREER CENTER AT THE VISTA DEL CAMINO CENTER WITH RESUME WRITING AND INTERVIEWS. WE HAVE 50 TEAMS THAT COMPLETED THAT OVER SPRING BREAK THIS PAST MARCH. IN OUR BACK TO SCHOOL PROGRAM WE SUPPLIED BACK TO SCHOOL CLOTHING AND SUPPLIES TO 431 STUDENTS FOR THIS SCHOOL YEAR OF 2012-2013. PARKS AND RECREATION, AGAIN, WE WERE RECOGNIZED THIS YEAR FOR THE SIXTH TIME FOR THE 100 BEST COMMUNITIES FOR YOUNG PEOPLE IN AMERICA. WE WERE RECOGNIZED AS ONE OF THE TOP AQUATIC PROGRAMS. THIS WEEK WE'LL CELEBRATE TREE CITY USA, ARBOR DAY, 21ST WITH THE GROWTH AWARD, AND WE'RE THE ONLY CITY IN THE STATE THAT CAN TOUT THAT. AND WE'VE COMPLETED OUR TREE INVENTORY IN ALL THE PARKS DOWNTOWN AND WE HAVE 11,000 RESOURCES THERE. WE'VE ALSO LOOKED AT MARKETING. WE'VE DEVELOPED A MARKETING PROGRAM BROCHURE INTERNALLY FOR THE YOUNG PEOPLE IN OUR COMMUNITY IN APRIL OF LAST YEAR. WE'VE HAD AN INCREASE OF OVER 2300 CALLS WHICH RESULTED IN AN INCREASE OF 46 PERCENTAGE OF REGISTRATION BY SIMPLY DEVOTING THE BROCHURES THAT WE HAD. THIS YEAR WE PASSED A MILESTONE WITH OUR CLASS SYSTEM BY REACHING 100,000 IN PERMITS. THAT'S ROUGHLY AN AVERAGE OF 7,000 PER YEAR. AND THESE ARE PERMITS THAT YOU CAN GET FOR A REMODEL, RENTALS, AND FIELD SPACE. ANOTHER THING THAT WE DID AS FAR AS OUR MARKETING PROGRAMS, THERE WAS SOME CLASSES THAT WE COULDN'T CONTINUE BECAUSE WE JUST DIDN'T HAVE THE SPACE. WE WERE ABLE TO WORK CLOSELY WITH THE AREA PARKS NEARBY, HORIZON AND CACTUS. AND SO WE ACTUALLY EXPOSED THEM TO SOME ALTERNATIVES IN OTHER COMMUNITY SERVICES THAT THEY COULD VISIT. WE WERE VERY BUSY WITH THE ACQUISITION OF 6400 ACRES AND WE'RE VERY PROUD OF THE FACT THAT WE WERE ABLE TO GET A GROWING SMARTER GRANT FROM THE STATE OF ARIZONA TO HELP US WITH THAT MATCHING. WE

HAVE BEEN ALSO WORKING CLOSELY WITH THE MCDOWELL SONORAN CONSERVANCY, AND WE HAVE THAT STUDY THAT'S BEEN COMPLETED OVER A YEAR'S PERIOD OF TIME.

[Time: 05:33:03]

SOME RESEARCH ACTIVITY, WE CONCLUDED IN JANUARY, THE FLYOVER WHICH WE DID WITH THE GAME AND FISH FOR THE ACCOUNT OF DEER AND JAVELINA IN THE PRESERVE WHICH IS NOW ESTABLISHING A BENCHMARK AND WE'VE ACTIVELY, AS DEREK WAS MENTIONING, AND WE'RE WORKING WITH PUBLIC SAFETY AS WELL TO EDUCATE BUT ALSO TO WHEN NECESSARY, ENFORCE. WE'VE GROWN TO 350,000 JUST THIS PAST YEAR. I WANTED TO TAKE SOME TIME, DEREK KIND OF WENT THROUGH THIS, BUT LAST YEAR, YOU RECALL THE COUNCIL APPROPRIATED FOR US, \$1.1 MILLION FOR SOME PROJECTS. THESE WERE SOME THINGS TO HELP US GET BACK ON TRACK WITH OUR LIFECYCLING AND I JUST WANT TO AGAIN ACKNOWLEDGE AND THANK COUNCIL FOR THEIR SUPPORT, BUT WE'VE COMPLETED MOST OF THESE PROJECTS. THE LAST ONE IN PLACE RIGHT NOW IS WE'RE WORKING ON SOME REPLACEMENT POLES AT SCOTTSDALE RANCH PARK IN MOUNTAIN VIEW PARK. AND THOSE WILL BE DONE HOPEFUL BY THE FIRST PART OF MAY AND THE OTHER EQUIPMENT THAT'S LISTED HERE, WE SHOULD BE COMPLETED AS WELL. AND THESE ARE JUST TO GIVE YOU SOME PICTURES OF BEFORE AND AFTER OF WHAT'S GOING ON. HERE'S OUR SPORTS LIGHTING POLE REMOVAL. AND THIS IS THE END RESULT OF WHAT THE MUST GO, NO SPILL FOR THE LIGHTING CONTROLS WHAT THEY PROVIDE TO US AT THE FACILITY BUT ALSO TO THE SURROUNDING NEIGHBORS. AND THERE'S SOME PLAYGROUND EQUIPMENT BEFORE AND AFTER, CACTUS, AND HERE'S THE NEW SERVICING THAT WE'VE PROVIDED AT THE BASKETBALL COURTS, POOL EQUIPMENT REPLACEMENT AT EL DORADO POOL. SO WE'RE BUSY AND WE'RE REALLY HAPPY TO GET THOSE COMPLETED. SO OUR PRIORITIES FOR THIS COMING YEAR OF '13-'14, THE LIBRARY HAS ENTERED IN A PARTNERSHIP WITH A.S.U. CATALYST TO CREATE A CO-WORKING SPACE, THE EUREKA SPACE. WE'VE ALREADY HAD SOME ORIENTATION. WE'VE EVEN HAD SOME VOLUNTEERS AT THE LIBRARY WHO HAVE EXPERIENCE IN THIS, WHO WERE ALSO AT THE INITIAL INTRODUCTION THAT WE HAD WITH ARIZONA STATE UNIVERSITY. THE E-MATERIAL BOOKS, WE'RE REALLY TRYING TO CONCENTRATE ON OUR PROGRAM WITH THE METRICS. THE LIBRARY LAST APRIL EMBARKED ON A PROGRAM CALLED SCORE BOARD AND THEY SET A GOAL OF \$650,000. WE'RE NOT GOING TO QUITE REACH THAT, BUT WE'RE GOING TO BE CLOSE TO \$300,000. BUT THE THING ABOUT THIS PROGRAM WAS TO MAKE NUMBER ONE THE AWARENESS OF THE MARKETING TO THE PEOPLE THAT THE LIBRARY HAD THE ABILITY FOR FREE E-MATERIALS THAT YOU COULD GET, ENHANCING THE CUSTOMER'S SUCCESS BY ADDING CLASSES. WE ALSO HAVE TRAINED OUR OWN STAFF SO THAT THEY COULD ANSWER QUESTIONS THAT THEY MIGHT HAVE. WE PROVIDE AN ARRAY OF IN-DEPTH TRAINING ON AN ARRAY OF E-DEVICES. BUT SO FAR SINCE WE'VE START THIS A YEAR AGO, WE'VE SEEN A 45% INCREASE IN THE LAST SEVEN MONTHS WITH THE E-BOOKS, THE USE OF GRANTS FOR THE LIBRARY. AGAIN WE'VE BEEN VERY SUCCESSFUL. WE'RE IN THE PROCESS RIGHT NOW GOING IN THE THIRD YEAR, FIRST THINGS FIRST EARLY LITERACY PROGRAM. AND WE'RE HOPEFUL THAT WE KNOW MORE ABOUT THAT IN MAY. AND WE BRING THAT BACK TO THE COUNCIL. AND SCOTTSDALE AGAIN REMAINS ONE OF THE LEADERS OUT THERE IN THE LITERACY PROGRAM. WE TALKED EARLIER TONIGHT ABOUT THE CIVIC CENTER SENIOR CENTER. THE SALES OF THOSE, WE UTILIZE THAT MONEY TO PURCHASE THE VIA DE MARIA SCHOOL. AND SO RIGHT NOW WE'RE WORKING WITH THE LEGAL DEPARTMENT TO GET AN RFP OUT FOR OUR CONSIDERATION AND WE'RE HOPEFULLY HAVING THAT IN PLACE SO THAT WE WILL HAVE SOMEBODY NEW ON CAMPUS THERE, PREFERABLY BY SUMMER. SELF-SUFFICIENCY FOR INDEPENDENT LIVING.

LEVERAGING FUNDING TO DIRECT SERVICE PROVISIONS. SO WE'RE REALLY LOOKING AT WHO DO WE HAVE ON THE CAMPUSES AND THE SERVICE CENTERS AND THAT'S THE LICENSING AGREEMENTS THAT WE HAVE AT EACH OF THE COMMUNITY SERVICES AT THIS POINT. WE'VE INTERVIEWED, WE GOT A GRANT FROM THE ENDING GAMING GRANT THIS PAST SUMMER. SO, ONE OF THE THINGS THAT WE WANTED TO DO WAS DEVELOP A DATABASE OF THE HUMAN SERVICES REQUESTS THAT WE HAD. SO IF SOMEONE CAME TO VISTA DEL CAMINO AND ENDED UP AT THE VIA SENIOR CENTER WE WOULD HAVE THE DATA THERE. AND THEIR NEEDS MIGHT BE A LITTLE LESS. SO WE'RE REALLY ANXIOUS TO GETTING THAT START AND REALLY LOOKING FORWARD TO HOW THAT WILL WORK FOR US.

[Time: 05:38:21]

IN PARKS AND RECREATION, PART OF OUR QUEST HAS BEEN SPONSORSHIP AND MARKETING AND REALLY IMPROVING THAT. WE'VE ASKED THE STAFF TO REALLY TAKE ON THAT, SO WE HAVE STAFF ASSIGNED TO THAT, BUT WE'RE CONTINUALLY LOOKING FORWARD TO THE BENEFITS OF SPONSORING THE EVENTS AND THE THINGS THAT WE HAVE CONNECTING WITH THEIR TARGET DEMOGRAPHIC WITHIN THE COMMUNITY. AND WE'RE ALSO LOOKING FOR A FUNDING MODEL FOR AGING ASSET MANAGEMENT, IMPROVING PERFORMANCE IN EFFECTIVENESS AND CONTINUITY. WE LOOKED AT OUR CONTRACTS LAST YEAR IN PARKS AND RECREATION. WE HAD 25% OF OUR OVERALL BUDGET WAS IN CONTRACTS AND SERVICES THAT MANY THAT'S INCREASED TO LITTLE OVER 27% THIS YEAR. WITH THE LIMITED ASSETS SO HIGH, OUR COMMUNITY PARTNERSHIPS FOR DEVELOPING STRATEGIES FOR OUR YOUTH IN UNDERSERVED AREAS, COLLABORATING WITH EXISTING RELATIONSHIPS WITH OUR PARTNERS WILL BE CRITICAL WE KNOW, AS WE MOVE FORWARD. IN THE PRESERVE WE ARE LOOKING FORWARD TO ADDING 2400 ACRES OF PRESERVE. AGAIN UTILIZING ARIZONA STATE PARKS, MATCHING GRANT FOR WHAT WE CAN FOR THE PURCHASING OF THAT. WE'VE COMPLETED FINALLY AFTER FOUR YEARS, OUR ARIZONA STATE LAND USE PERMIT. THAT WILL COVER THE LANDS THAT ARE NOT PROTECTED AT THIS POINT, SO ROUGHLY FROM DYNAMITE UP TO LEGEND TRAIL, STAGE COACH, THAT LITTLE AREA UNDER THERE WILL FALL UNDER THAT. SO THAT AGAIN IS WHAT WE'RE DOING FOR SECURING THE BOUNDARIES. WE'RE ADDING FENCES AND SIGNS AS WE'RE GOING OUT THERE. AND WE HOPE TO HAVE THE OPENING OF THE BROWN'S RANCH TRAILHEAD IN THE JANE ROW BARRIER-FREE INTERPRETIVE TRAIL IN OCTOBER. AND WE COMPLETE THE NEXT 3 MILES IN 2013-2014 IN THE NEXT FEW MONTHS. MEET THE NEEDS AS WE GET INTO THE GROWING AREA OF THE PRESERVE. IF WE'RE SUCCESSFUL WITH THE PRESERVE ACQUISITION WE'LL HAVE OVER 30,000 ACRES IN THE AREA OF THE PRESERVE TO MAINTAIN. WE ARE IN THE BUDGET, WE DO HAVE ONE-TIME FUNDING. WE'RE ASKING FOR NUMBER ONE A COMMUNITY MASTER PLAN. WE NEED TO GET OUT TO THE COMMUNITY AND TALK TO THEM, ARE THE THINGS THAT WE STILL IN IN THOSE AREAS. BUT WE KIND OF NEED TO MAKE SURE THAT WE'RE UTILIZING OUR SPACE AS MUCH AS POSSIBLE. SO WE ARE HOPING TO EMBARK ON COLLABORATION WITH OUR PARTNERS NEXT YEAR. WE'RE ASKING FOR SOME REQUESTS FOR PLAYGROUND EQUIPMENT REPLACEMENT, THIS IS ALL IN SOUTH SCOTTSDALE, SOME POOL EQUIPMENT REPLACEMENT. THIS WILL JUST CONTINUE TO KEEP US ON TRACK WITH WHERE WE WERE DELAYED A LITTLE BIT IN THE LAST FEW YEARS WITH THE ECONOMIC DOWNTURN. THIS IS HORIZON BASKETBALL COURT, IN ONE AREA. THIS IS AT MCDOWELL MOUNTAIN RANCH AND YOU CAN SEE SOME OF THE WATER THAT'S WORKING ON THE SLIDE. THIS IS GIVING YOU AN IDEA OF WHAT WE'RE LOOKING TO DO THE WITH REPAIRS ON. WE WERE LOOKING TO APPROVE SOME ONGOING ONE-TIME FUNDS. THE CONTRACTOR DID NOT FULFILL WHAT HE NEEDED TO. SO WE HAD LESS MONEY. WE ASKED LAST YEAR FOR SOME MONEY. THIS IS ACTUALLY THE CONTRACT COST FOR US TO GET IT INTO

OUR BUDGET. THE STORM WATER DRAIN, MOSQUITO CONTROL, THIS IS PRIMARILY IN INDIAN WASH, THIS IS ACTUALLY FOR US TO HAVE VECTORING ON A CONTINUAL BASIS OUT THERE TO HELP US WITH THE MAINTENANCE AREA. DOC CAVALIERRE PARK, IF YOU REMEMBER LAST YEAR, WE ADDED THAT TO OUR PARK SYSTEM. WE ACTUALLY HAVE STAFF COMING FROM PINNACLE PEAK PARK TO COME AND MAINTAIN IT. THIS IS A BASIC COMMODITY LINE ITEM, SO GARBAGE CANS, AS WELL AS THINGS IN THE RESTROOM, AS WELL AS OTHER THINGS IN THE PARK. SO THIS IS REALLY JUST TO PROVIDE US WITH THE BASICS OF WHAT WE NEED. THERE WAS ONE BUDGET ITEM THAT YOU WHEN DISCUSSING WITH THE CITY MANAGER, WE DIDN'T PUT THROUGH. AND THIS WAS FOR PROFESSIONAL BASEBALL FOR YEAR-ROUND TRAINING FOR THE GIANTS. WHAT'S IN THIS PACKAGE IS, WE HAVE TAKEN THE MOWING IN-HOUSE. SO WE USED TO CONTRACT MOW, AND WE WENT IN-HOUSE, AND WHEN WE WENT THROUGH THE BUDGET PROCESS LAST YEAR, THIS WAS ONE-TIME MONEY. WE HAD NOT COMPLETED THE LEASE AGREEMENT WHEN WE CAME TO COUNCIL, BUT WE DO HAVE THAT NOW, SO WE HAVE THE LEASE AGREEMENT WITH JOHN DEERE, AS WELL AS THE MAINTENANCE THAT GOES WITH THOSE MOWERS.

[Time: 05:43:39]

IT ALSO PICKS UP FOR SOME AIRIFICATION ON OUR SAND-BASED FIELDS TO HELP US AGRONOMICALLY WITH SOME THINGS. THESE WERE AREAS THAT WE REDUCED WHEN WE CAME TO THE BUDGET OVER THE LAST FEW YEARS WHEN WE TOOK 2%, 5% FROM EACH OF THESE AREAS. THIS IS ONE OF THE AREAS THAT WE ADDRESSED, SO THIS IS NOT IN THE BUDGET. AND SOME TRENDS THAT I WANTED TO TOUCH ON, THIS IS THE LAST SLIDE, FIRST THINGS FIRST, TOBACCO TAX. BECAUSE WE'VE DONE SUCH A GOOD JOB WITH OUR FIRST YEAR LITERACY PROGRAM THIS IS THE THIRD YEAR WE'VE BEEN ABLE TO GET A SUCCESSFUL GRANT. WE'RE LOOKING, IF WE'RE SUCCESSFUL WITH THE GRANT, HOW THE PROGRAM CAN CONTINUE TO SUSTAIN ITSELF. ONE THING THAT WE'RE WORKING ON AS FAR AS THE LITERACY PROGRAM THAT WE'RE REALLY PROUD OF WITH THE SCOTTSDALE UNIFIED SCHOOL DISTRICT IS THE READING PROGRAM. WE'RE WORKING WITH THE INSTRUCTURAL AIDES SO THAT WE CAN SEE HOW WELL YOU'RE READING WHEN YOU'RE TESTED BACK IN SEPTEMBER. SO WE'RE WAITING TO SEE IF THAT WILL CORRELATE WELL FOR US, AGAIN, ANOTHER METRIC THAT WE'RE TRYING TO ESTABLISH. WE TALKED QUITE A BIT TONIGHT ABOUT THE COMMUNITY BLOCK GRANT AND THE SEQUESTRATION. THE BOTTOM LINE IS THAT OUR ALLOCATION IS GOING DOWN BOTH FROM WHAT WE'RE GETTING FROM THE GOVERNMENT AS WELL AS WHAT OUR ADMINISTRATIVE COSTS ARE, WE STILL SEE THE NEEDS THAT ARE RISING. SO WE'RE GOING TO REALLY TAKE A LOOK AT THE COMMUNITY ASSISTANCE OFFICE FIRST AND SEE ABOUT THE OVERHEAD COSTS THERE, IF THERE ARE SOME REDUCTIONS THAT WE CAN DO THERE. BUT THIS IS AN ISSUE THAT WE DON'T SEE PROBABLY AT THIS POINT, COUNCILWOMAN MILHAVEN, I DON'T BELIEVE THAT THIS WILL DIMINISH. I THINK THIS IS PROBABLY THE REALITY OF WHAT WE NEED TO LOOK AT. SO WE'RE GOING TO PROBABLY PRIORITIZE HOW WE'RE GOING TO DO SOME OF THESE THINGS. AND THE LAST THING IS THE SPORTS FIELD ALLOCATION. IN 2003, WE STARTED AN ALLOCATION THAT WE BROUGHT THROUGH THE COUNCIL AND WHAT WE'RE REALLY STARTING TO SEE NOW IS THAT THE INCREASE IN DEMAND OF THE FIELDS HAS GROWN TREMENDOUSLY SINCE 2009. THE SCHOOL HAS TEN SITES THAT ARE COVERED IN THAT I.G.A., THE CITY HAS 28 CITY SITES. WE HAVE ROUGHLY 110 SPACES IF YOU START TO OVERLAY A BASEBALL FIELD WITH A SOCCER FIELD AND SOCCER FIELDS TO PLAY MULTIPLE SPORTS BUT WHAT WE ARE SEEING IS THAT THERE ARE MORE COMPETITIVE TEAMS STARTING OUT RATHER THAN RECREATIONAL TEAMS. IN FACT WE'RE SEEING SOME OLDER, ESTABLISHED RECREATIONAL

ORGANIZATIONS, SOME OF THOSE LEAGUES DROPPING DOWN A LITTLE BIT IN THEIR ATTENDANCE. WE'RE SEEING THAT MULTIPLE TEAMS, SO A CHILD COULD PLAY ON MULTIPLE TEAMS, THAT WASN'T THE CASE BEFORE BECAUSE THINGS WERE KIND OF GOVERNED BY BOUNDARIES. THE ORGANIZATION, SO SOMEONE DOESN'T LIKE THE COACH OR DOESN'T LIKE HOW THINGS ARE, THEY'RE SPLINTERING OFF AND CREATING THEIR OWN GROUP AND THEY BECOME PART OF THE ALLOCATION PROCESS AS WELL. AND THERE'S MORE YOUTH SPORTS ORGANIZATIONS OUT THERE THAT ARE KIND OF FRANCHISING THEMSELVES, SO THEY'RE KIND OF ESTABLISHING BOUNDARIES IN SOME OF THE AREAS THAT WE HAVE. SO BOTTOM LINE IS THAT OUR RESERVED HOURS HAVE INCREASED 16 AND A HALF PERCENT SINCE 2009. WE DON'T SEE IT DROPPING OFF MUCH.

[Time: [Time: 05:47:17]

THERE ARE A LOT OF CLUB SPORTS THAT IN OUR ALLOCATION THAT WE HAD ACTUALLY MET WITH AND DESIGNED AND SAID, THESE ARE THE TIMES OF YEAR THAT WE CAN OFFER THESE AND THAT HAS GROWN A LITTLE BIT MORE. SO NOW IT'S ALMOST A YEAR-ROUND PROGRAM. SO WHY I BRING THIS FORWARD TO YOU IS THAT WE'RE GOING TO MEET WITH THE YOUTH GROUPS TO DISCUSS THE POLICIES THAT WE CURRENTLY HAVE, LOOK AT THE ALLOCATION PROCESS. WE ALSO NEED TO BE REALISTIC ABOUT THE FACT THAT WE'RE CHARGING \$3 PER MULTIPLE HOURS. WE REALLY NEED TO BEGIN TO START CAPTURE BACK WHAT THOSE COSTS ARE AND I DON'T KNOW WHAT THE ANSWER TO THAT IS RIGHT NOW, BUT WE'RE GOING TO WORK TOWARDS IT SO THAT IT'S NOT SO DRASTIC, BUT I BRING IT TO YOUR ATTENTION BECAUSE THESE ARE THINGS WHEN WE WORK THROUGH, NEXT YEAR IN THE BUDGET WE'LL HAVE A BETTER ANSWER FOR YOU ABOUT HOW DO WE MEET THOSE NEEDS. AND THE FINAL AREA THAT I WANTED TO TOUCH ON WAS OUR AFTER-SCHOOL PROGRAM. YOU MIGHT RECALL IN 2010, WE HAD A LENGTHY DISCUSSION ABOUT ALTERNATIVE SERVICE DELIVERY. AND SO THE PROGRAM THAT WE HAD THAT WAS FREE, WE BEGAN TO CHARGE A FEE. THE STRUGGLES THAT WE HAD WITH THAT THAT FIRST YEAR AS WE WENT THROUGH THE WHOLE PROCESS WAS FINALLY APPROVED WITH OUR BUDGET AND SCHOOL STARTED AUGUST THE EIGHTH. SO WE HAD ROUGHLY EIGHT WEEKS TO KIND OF MARKET WHAT WE DID. SO WE PUT TOGETHER, ORIGINALLY WE HAD A LITTLE OVER A THOUSAND CHILDREN IN THE PROGRAM, WE USED THE COST MODELING TO SAY, 725 WAS THE STUDENTS. WE WOULD INCREASE OUR RATIO THAT WAS 1:17 TO 1:25. WE DEVELOPED A FEE, IT WAS \$544 PER YEAR, OR YOU COULD PAY \$55 PER MONTH. WE ALSO THREW IN IF THE FAMILIES MET THE FEDERAL GUIDELINE LIKE THEY DID AT THE SCHOOL, THEY WOULD PAY A DEFERRED 25 OR 50%. WHEN WE IMPLEMENTED THAT, WE STILL ENDED UP WITH A LITTLE OVER 4300 CHILDREN IN THE PROGRAM. AND AGAIN WE HAVE WORKED HARD TO MARKET IT. WE HAVE A "THRIVE AFTER 3:00" WORKING CLOSELY WITH SOME OF THE PARENTS GETTING THE FLYERS OUT WITH THE PRINCIPALS, AND STAFF HAS REALLY BEEN WORKING CLOSELY TO DO THAT. AND IS WE'VE GOT \$100,000 IN SCHOLARSHIP PROGRAMS TO HELP WITH THAT AS WELL. THIS THIRD YEAR, WE'VE LOOKED AT SOME OTHER ALTERNATIVES AND THEN WE HAD A REALLY NICE DISCUSSION WITH THE SCOTTSDALE UNIFIED SCHOOL DISTRICT. SO WE STARTED A LITTLE PROGRAM, NOT INCREASING ANYTHING OUT OF OUR BUDGET BUT WE START A PROGRAM DOWN IN HOHOKAM, AND YAVAPAI. IT'S A 30 SECOND LITTLE YOUTUBE AND THEY DID A NICE JOB PUTTING IT TOGETHER. SO WHAT WE'RE GOING TO FOCUS ON THIS YEAR AND WE'VE TALKED TO THE SCHOOL DISTRICT IS TO ACTUALLY TAKE THREE TITLE ONE SITES AT HOHOKAM, TONALEA AND YAVAPAI. MONDAY THROUGH THURSDAY AND THEN OUR STAFF WOULD PICK THE, SO ROUGHLY WHEN THE KIDS GET OUT OF SCHOOL AT 3:00, 3:15 THEY HAVE A LITTLE SNACK AND OUR PROGRAM WILL TAKE PLACE FROM 4:30-6:00 P.M. SO WE'RE

GOING TO HAVE A LITTLE BIT OF EACH OF US GIVING TO THE SCHOOL DISTRICT. WE'LL HAVE ABOUT 52% OF THE COSTS TO DO THAT AND FROM THE CITY WE'LL HAVE ROUGHLY 44%, SO ROUGHLY \$44,000 FROM THE SCHOOL DISTRICT AND \$39,000 FROM US. AND THIS IS AGAIN EMBEDDED ALREADY IN THE CURRENT LINE ITEM. BUT WHAT I WANTED TO BRING TO THE ATTENTION OF THE COUNCIL WAS, WE'RE KIND OF SET IN OUR ABILITY, WELL, THE COST REDUCTION MOLDS WE PUT IN PLACE IS STILL ALIVE. AND IF WE HAD SOME FLEXIBILITY TO CREATE THAT OURSELVES, WE MIGHT BE MORE CREATIVE WITH OUR PARTNERS AND THOSE WHO MIGHT WANT TO HELP US IN THE DISTRICT AND THE COMMUNITY AREA. SO I JUST BRING THOSE TO YOUR ATTENTION. THESE ARE THINGS THAT WE'RE GOING TO WORK ON THIS YEAR AND THAT CONCLUDES WHAT I HAVE.

Mayor Lane: WELL, BILL, VERY GOOD REPORT AND I WANT TO CONGRATULATE ALL ON THE PROGRESS YOU'VE MADE ON JUST ABOUT EVERY FRONT. IT SOUNDS VERY GOOD, THE INNOVATIONS AND THE COST SAVINGS AND THE EFFICIENCY THAT YOU'VE DONE. THIS IS, AS I SAY, IT'S JUST A REAL POSITIVE. I WAS GOING TO ASK, WELL, I'LL TELL YOU WHAT, I'LL HOLD IT FOR A MOMENT, COUNCILWOMAN MILHAVEN MIGHT HAVE A QUESTION OR COMMENT.

[Time: 05:52:25]

Councilwoman Milhaven: THANK YOU, MAYOR. WE TALKED A LITTLE BIT EARLIER ABOUT SCOTTSDALE CARES. AND I WANTED TO TAKE A LOOK AT THAT PROGRAM AND SAY, HOW CAN WE REVAMP OR REINTRODUCE THAT? AND I UNDERSTAND DIFFERENCES IN HOW PEOPLE PROCESS THEIR PAYMENTS AND MAYBE UNDERSTANDING KNOWLEDGE OF THE PROGRAM AND WHAT I'D SURE LIKE TO SEE IS REVISIT SORT OF HOW THAT PROGRAM WORKS. HOW WE MIGHT PROMOTE IT AND HOW WE MIGHT INCREASE THE FUNDING THROUGH IT.

Bill Murphy: MAYOR LANE, COUNCILWOMAN. WE'VE ALREADY ADDRESSED THAT ONCE WE SAW WHERE THIS WAS GOING. WE ACTUALLY HAD SOME OF THE STAFF COME FORWARD TO SAY, WE WANTED TO TACKLE THIS ON. WE ACTUALLY HAVE A GROUP INTERNALLY WORKING ON IT. WE'RE GOING TO LOOK AT, ARE THERE SOME OPPORTUNITIES FOR US WITH CORPORATE SPONSORSHIP. ARE THERE, IN TERMS WITH MULTI-LEVEL HOUSING, MAYBE A MANAGEMENT COMPANY THAT'S MANAGING THOSE HOMES. SO IF YOU'RE PAYING I GUESS YOUR RENT, PROBABLY WOULD NEVER SEE THAT. THE ENVELOPE INFORMATION THAT WE GIVE TO YOU IS INSIDE YOUR ENVELOPE. MAYBE YOU'VE THROWN THE ENVELOPE AWAY. SO MAYBE IF WE ACTUALLY CODED IT ON THE OUTSIDE OF THE ENVELOPE. WE'RE GOING TO WORK TO ALSO BENCHMARK SOME OF THE OTHER CITIES. WHEN THIS FIRST CAME OUT OF CLICKING OFF AND PUTTING 1 DOLLAR IN WHICH WAS MANY YEARS AGO, THAT WAS BASED UPON SOMEONE GOING OUT AND BENCHMARKING OTHER CITIES. COMMISSIONER MARTY DAY WHO'S ON OUR HUMAN SERVICES COMMISSION IS GOING TO HELP US PARTICIPATE. SO WE'RE GOING TO REALLY TRY TO INTERNALLY TALK ABOUT THIS AND TRY TO COME UP WITH SOME GOOD IDEAS. AND THIS WILL REALLY BE A PART OF AN ONGOING MARKET FOR US TO TRY TO ADDRESS.

Councilwoman Milhaven: YEAH, AND I WAS GOING TO SAY, EVEN MORE THAN A DOLLAR A MONTH. SO THANK YOU.

Mayor Lane: THANK YOU, COUNCILWOMAN. WE DON'T HAVE ANY OTHER QUESTIONS FOR YOU, BUT I WILL TELL YOU, BILL. IF YOU TAKE ON THE YOUTH SPORTS FIELD ALLOCATION, IF YOU REMEMBER THE FIELD ALLOCATION WARS OF 2007, YOU KNOW, I WISH YOU THE BEST OF LUCK. WELL, I'M SORRY BILL, BEFORE YOU ESCAPE, WE DO HAVE SOMETHING FROM VICE MAYOR KLAPP.

[Time: 05:54:47]

Vice Mayor Klapp: I WANT TO KNOW HOW LONG IT TOOK YOU TO INVENTORY 11,000 TREES.

Bill Murphy: UM, ACTUALLY, I WAS SURPRISED THAT WE HAD THAT LITTLE OF THEM. I THOUGHT WE HAD MORE. THE SUPERVISORS KIND OF WENT THROUGH, WE ACTUALLY HAVE A G.I.S. MAP AND DID THEM IN QUADRANTS AND HAD A CROSSWALK-THROUGH. IN THE STREETS PROJECTS WE HAVE, WE KNOW HOW MANY TREES WE HAVE, AND WE CAN PLOT THOSE. BUT NOW THAT WE HAVE THEM AS ASSETS WE CAN START TO USE THE INFORMATION TO REALLY A LOT OF OUR BENEFIT. SO THIS IS GOING TO HELP US VERY MUCH WITH OUR MAINTENANCE PROGRAM.

Vice Mayor Klapp: YOU KNOW, HUNDREDS OF YEARS AGO, KINGS IN ENGLAND DID THE SAME THING. THEY WERE ALWAYS INVENTORING THEIR TREES BECAUSE THEY WERE ASSETS AND THEY WERE GOING TO COLLECT FROM THE PEOPLE THE USE OF THE FOREST. SO WHEN YOU TALKED ABOUT THE INVENTORY OF THE TREES, I JUST GOT A KICK OUT OF IT. THANK YOU.

Mayor Lane: INCIDENTALLY, AND I THINK BILL DID TALK ABOUT RESOURCES. BUT THANK YOU AGAIN.

PAUL I KNOW YOU'RE STANDING BY NOW, BUT WE HAVE AN OBLIGATION NOW BECAUSE IT JUST CREEPED PAST 10:00. OTHERWISE, WE WOULD HAVE GOTTEN THAT IN FOR SURE. BUT WE DO HAVE AN OBLIGATION TO TAKE A VOTE AS TO WHETHER OR NOT WE WANT TO CONTINUE THIS PROCESS THIS EVENING.

Vice Mayor Klapp: I WANTED TO SPEAK ON THIS ISSUE.

Mayor Lane: VICE MAYOR WOULD LIKE TO SPEAK.

Vice Mayor Klapp: I'D LIKE TO MAKE THE COMMENT. WE SHOULD CONSIDER THAT YOU'VE WAITED THIS LONG. SO SHOULD WE SEND YOU AWAY TO COME BACK TOMORROW, OR SHOULD WE JUST GO AHEAD AND LET YOU HAVE YOUR SAY TONIGHT. I GUESS IS SOMETHING THAT I WOULD ASK THE COUNCIL.

Mayor Lane: SO WITH THE PRO OF MOVING ON, IS THERE AN OPPOSING POINT OF VIEW THAT WOULD LIKE TO EXPRESS THEIR OPINION BEFORE WE TAKE A VOTE ON THIS? COUNCILWOMAN MILHAVEN.

Councilwoman Milhaven: I HAVE THE GREATEST SYMPATHY FOR ALL OF YOU WHO HAVE SPENT THE ENTIRE EVENING HERE. IT WOULD HAVE BEEN GREAT IF WE COULD HAVE LET YOU KNOW SOONER. BUT WE HAVE THE RESPONSIBILITY TO BRING OUR BEST SELVES TO THESE CONVERSATIONS AND I'M NOT SURE IF AT 10:05 IN THE EVENING, WE'RE GOING TO BRING OUR BEST SELVES TO THE

CONVERSATION. SO I'M GOING TO SUPPORT COMING BACK TOMORROW. PLEASE ACCEPT MY THANKS FOR SITTING THROUGH THIS.

Mayor Lane: OKAY, SO IS THAT A MOTION TO...?

Councilwoman Milhaven: A MOTION TO CONTINUE TOMORROW.

Mayor Lane: AN "EMOTION" TO? A MOTION AND A SECOND? AND AN EMOTION AND A SECOND. AND UNLESS THERE'S ANY FURTHER COMMENT. WE'RE READY TO VOTE WHETHER OR NOT TO SUPPORT THE MOTION. THOSE IN FAVOR PLEASE INDICATE BY AYE, AND THOSE AGAINST, NAY. MOTION PASSES, 6:1. SO THAT COMPLETES OUR EVENING. I WOULD LIKE TO THANK EVERYBODY WHO DID STAND BY AND WAIT FOR US. BUT THAT'S THE PROCESS THAT WE'RE IN AND THANK EVERYONE ELSE WHO HAS REMAINED.

ADJOURNMENT

[Time: 05:58:00]

Mayor Lane: I WILL ENTERTAIN A MOTION TO ADJOURN.

Councilman Littlefield: I MOVE TO ADJOURN.

Mayor Lane: IT IS SECONDED AND ALL IN FAVOR OF ADJOURNING, PLEASE INDICATE BY AYE.