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#### **CALL TO ORDER**

[Time: 00:00:06]

Mayor Lane: I WOULD LIKE TO CALL TO ORDER THE MAY 7, 2013 CITY COUNCIL MEETING. I WILL START WITH A ROLL CALL PLEASE.

#### **ROLL CALL**

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: PRESENT.

Carolyn Jagger: DENNIS ROBBINS.

Councilman Robbins: HERE.

Carolyn Jagger: ACTING CITY MANAGER DAN WORTH.

Acting City Manager Dan Worth: HERE.

Carolyn Jagger: CITY ATTORNEY BRUCE WASHBURN.

City Attorney Bruce Washburn: HERE.

Carolyn Jagger: CITY TREASURER DAVID SMITH.

David Smith: PRESENT.

Carolyn Jagger: AND THE CLERK IS PRESENT.

Mayor Lane: THANK YOU. JUST SOME ITEMS OF HOUSEKEEPING, WE HAVE SPEAKERS CARDS IF YOU WOULD LIKE TO SPEAK ON ANY OF THE ITEMS. THE WHITE CARD THAT THE CITY CLERKS IS HOLDING OVER HEAD HERE TO MY RIGHT AND WE HAVE THE YELLOW CARD THAT IF YOU WOULD LIKE ANY WRITTEN COMMENTS ON ANY ITEMS ON THE AGENDA, PLEASE PICK THOSE UP AND COMPLETE THOSE AND THEY WILL BE READ DURING THE PROCEEDINGS.

WE DO HAVE SCOTTSDALE OFFICERS DAVE PUBINS AND TOM CLEARY HERE WITH US TODAY. FRONT AND CENTER AND SLIGHTLY TO THE LEFT OF ME HERE, IF YOU HAVE ANY NEED OF THEIR ASSISTANCE.

THE AREAS BEHIND THE DAIS ARE FOR COUNCIL AND STAFF THERE. WE DO HAVE FACILITIES OVER HERE IMMEDIATELY TO MY LEFT UNDER THAT CLEARLY MARKED RESTROOM SIGN FOR YOUR CONVENIENCE. THERE ARE RESTROOMS TO MY LEFT FOR YOUR CONVENIENCE.

**PLEDGE OF ALLEGIANCE**

[Time: 00:01:27]

TODAY WE HAVE THE GREAT PLEASURE OF HAVING DAISY TROOP 1667 WITH THEIR LEADER ANITA ELCO, TO LEAD US IN THE PLEDGE OF ALLEGIANCE. LADIES, IF YOU WOULD MOVE TO THE MICROPHONE AND IF WE COULD ALL RISE.

Daisy Troop 1667: 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 VERY MUCH, GIRLS. I WONDER IF YOU WOULD INDIVIDUALLY TURN THE MICROPHONE AROUND FOR THEM. IF YOU COULD INTRODUCE YOURSELF AND TELL US WHERE YOU GO TO SCHOOL AND WHAT YOUR FAVORITE SUBJECT IS.

Daisy Troop 1667: ARA, LIBERTY, ART. PAYTON, SANDPIPER, ART. ADDY, LIBERTY, ART. KATE, LIBERTY, MATH. MIA, LIBERTY ELEMENTARY, ART. JENAVIVE, WEST WING, MATH. VIOLA, LIBERTY, ART.

### **INVOCATION**

[Time: 00:03:53]

Mayor Lane: THANK YOU VERY MUCH, LADIES. NOW THE INVOCATION THIS EVENING WILL BE PROVIDED BY PASTOR CYNTHIA CONE OF ONE LIFE CHRISTIAN CHURCH, PASTOR.

Pastor Cynthia Cone: IF YOU WOULD PRAY, FOLD YOUR HANDS AND BOW YOUR HEADS, HEAVENLY FATHER, WE ASK YOU TO BE WITH THIS MEETING TONIGHT WITH THESE YOUR LEADERS THAT YOU HAVE SET ASIDE TO DO AWESOME WORK. LET THEM LISTEN WITH EARS OF WISDOM, WITH HEARTS THAT ARE OPEN. WE GIVE YOU THANKS FOR YOUNG ONES, THESE ARE NOT JUST LEADERS OF THE FUTURE BUT THESE YOUNG LADIES ARE LEADERS TODAY FOR ALL OF THOSE YOUNG FOLKS THAT LIVE IN SCOTTSDALE AND MESA AND PHOENIX, IN THE GREATER WORLD CONTINUE TO BLESS THEM AND GUIDE THEM. WE ASK THAT YOU BE WITH THE MILITARY, FOR THOSE WHO ARE ABROAD, AND FOR THOSE THAT ARE HERE, FOR ALL OF THOSE IN COMMUNITY SERVICE THAT YOU PROTECT AND GUIDE THEM. TO ALWAYS GIVE THEM HANDS AND HEARTS THAT ARE GENTLE AND PURE. HEAVENLY SPIRIT, WE ASK THAT YOU BE WITH US THIS NIGHT AND IN THE DAYS AHEAD. IN YOUR NAME WE PRAY, AMEN.

### **MAYOR'S REPORT**

[Time: 00:05:18]

Mayor Lane: THANK YOU, PASTOR. I HAVE NO SPECIFIC REPORT

### **CITY MANAGER'S REPORT**

[Time: 00:05:21]

Mayor Lane: I ASK MR. WORTH TO CONFIRM THAT THERE IS NO REPORT?

Acting City Manager, Dan Worth: YES, MAYOR, THAT IS CORRECT.

### **PRESENTATIONS/INFORMATION UPDATES**

[Time: 00:05:29]

Mayor Lane: OKAY. WE DO HAVE AN ANNOUNCEMENT FOR FUTURE LEADER TOWN HALL PRESENTATION BY MARY VANDEVORD. MARY, IF YOU COULD COME FORWARD, PLEASE.

Mary Vandevord: GOOD EVENING, I'M MARY VANDEVORD WITH THE LONG RANGE PLANNING SERVICES DEPARTMENT. THE PURPOSE OF THIS PRESENTATION IS TO RECOGNIZE AND THANK THE PARTICIPANTS AND OUR FUTURE LEADERS TOWN HALL THAT WAS HELD ON JANUARY 24th OF 2013 FOR THEIR EFFORT AND ENTHUSIASM IN THEIR PARTICIPATION. THE FUTURE LEADERS TOWN HALL WAS AN EVENT FOR SCOTTSDALE YOUTH TO ENGAGE THE GROUP IN PLANNING FOR THE COMMUNITY'S FUTURE. IT WAS ALSO INTENDED TO FOSTER CIVIC LEADERSHIP. IT IS HARD FOR US TO ENGAGE IN OUR EFFORTS SO OUR CONSULTANT ARIZONA TOWN HALL SUGGESTED THAT WE HOST A YOUTH TOWN HALL AS A PART OF OUR GENERAL PLAN OUTREACH AND THEY SUGGESTED THAT THIS GROUP BE FACILITATED BY A GROUP OF THEIR PEERS SO THEY ARE MORE COMFORTABLE IN GIVING THEIR OPINIONS. SO ARIZONA TOWN HALL TRAINED TWELVE, EXCUSE ME, 12 FACILITATORS AND RECORDERS TO LEAD ON THE COMMUNITY VALUES AND THESE RECORDERS WERE FROM THE MAYOR'S YOUTH COUNCIL AND WE HAD SPORT FROM ASU STUDENTS AND SCOTTSDALE COMMUNITY COLLEGE STUDENTS. THE PARTICIPANTS IN THE EVENT BROKE INTO SIX SMALL DISCUSSION GROUPS AND CAME TO CONSENSUS ON MANY ITEMS INCLUDING PARKS AND TRANSPORTATION AND EVEN DISCUSSED LAND USE, IN THE END, THEY MADE SEVERAL RECOMMENDATIONS BUT THE PRIMARY ONES WERE INCREASING SCOTTSDALE ENVIRONMENTAL PROGRAM SUCH AS RECYCLING AND ADDING EDUCATION AS PROMINENT COMMUNITY VALUE IN THE GENERAL PLAN AND TO ENGAGE OUR YOUTH. WE HAD SEVERAL PARTNERSHIPS TO MAKE THE PROGRAM A SUCCESS, ARIZONA TOWN HALL, OBVIOUSLY SUGGESTING THE IDEA FOR THE EVENT. WE ALSO PARTNERED WITH THE MAYOR'S YOUTH COUNCIL AND THE INCREDIBLE STAFF AND YOUTH AND FAMILY SERVICES HELPED US TO RECRUIT ALL OF THE PARTICIPANTS IN THIS EVENT. WE ALSO HAD SUPPORT FROM SCOTTSDALE SCHOOL DISTRICT THAT HELPED US TO RECRUIT STUDENTS FROM THE FIVE PUBLIC HIGH SCHOOLS AND THEN THE SCOTTSDALE COMMUNITY COLLEGE SERVICE FOR CIVIC AND GLOBAL ENGAGEMENT PROVIDED US WITH VOLUNTEERS TO HELP. IN THE END WE HAD 82 PARTICIPANTS, AGES 14-22, ABOUT 38% WERE MEMBERS OF THE MAYOR YOUTH COUNCIL AND DESERT HIGH SCHOOL HAD 22% ATTENDANCE AND FOLLOWED BY ARCADIA, CHAPARRAL, CORONADO, AND SAGUARO HIGH SCHOOLS AND 26% CAME FROM PRIVATE SCHOOLS AND WE HAD A FEW THAT WERE NOT IN SCHOOL. SO WE WANTED TO TAKE A MINUTE TO RECOGNIZE AND THANK ALL OF THE PARTICIPANTS IN THE INCREDIBLE EFFORT THAT THEY GAVE US.

Mayor Lane: THANK YOU VERY MUCH, MARY. I WANT TO ADD MY THANKS TO THE EXCELLENT JOB THAT THESE YOUNG PEOPLE DID IN THIS YOUTH TOWN HALL, IT WAS INTERESTING PERFORMANCE AND ATTENDANCE AND PARTICIPATION BY A LARGE GROUP. THEY DID A FANTASTIC JOB AND IT WAS A GREAT EVENING. I WAS THERE WITH THEM FOR A SHORT WHILE BUT I DO WANT TO THANK THEM ALL FOR PARTICIPATING, WE HAVE CERTIFICATES, I THINK MARY HAS THOSE TO DISTRIBUTE TO THEM WHEN THEY ARE MADE AVAILABLE. THANKS SO VERY VERY VERY MUCH ON THAT.

**PUBLIC COMMENT:**

[Time: 00:09:16]

Mayor Lane: AND THE NEXT ITEM FOR OUR AGENDA IS PUBLIC COMMENT AND WE HAVE PUBLIC COMMENT IS RESERVED FOR CITIZENS COMMENTS REGARDING NON-AGENDIZED ITEMS WITH NO OFFICIAL COUNCIL ACTION ON ANY OF THESE ITEMS. SPEAKERS ARE LIMITED TO THREE MINUTES EACH WITH A MAXIMUM OF FIVE SPEAKERS AND THERE WILL BE ANOTHER OPPORTUNITY AT THE END OF THIS MEETING IF THERE IS A NEED FOR FURTHER PUBLIC COMMENT. IT LOOKS LIKE WE HAVE FIVE REQUESTED TO SPEAK AT THREE MINUTES EACH AND WE CAN START WITH ERIC NESVIG.

[Time: 00:10:13]

Eric Nesvig: MAYOR LANE, VICE MAYOR KLAPP, COUNCILMEMBERS, MY NAME IS ERIC NESVIG. I LIVE AT 6144 N. 77th PLACE. I AM HERE TO HOPEFULLY OFFERING AN OPPORTUNITY AND EXPLAINING A SITUATION THAT IS HAPPENING IN OUR NEIGHBORHOOD THAT I WOULD LIKE TO REPRESENT OUR RESIDENTS AND NEIGHBORS AND ASK YOU TO READ THE PETITION THAT WE HAVE SUBMITTED TONIGHT AND TO ACT ON THAT. GENERALLY SPEAKING, THE TOPIC THAT I'M HERE TO TALK ABOUT IS THE MULTI USE BIKE PATH ALONG THE ARIZONA CANAL SPECIFICALLY BETWEEN CHAPARRAL AND INDIAN BEND. THE ISSUE THAT WE HAVE IS NOT WHAT THE PROJECT ITSELF, I THINK OUR NEIGHBORS ARE EXCITED FOR THE POTENTIAL OF THE BIKE PATH TO GO IN. BUT IT IS REALLY ABOUT THE PLACEMENT AND THE DESIGN OF THE PATH. FROM THE INFORMATION THAT WE HAVE GOTTEN FROM THE CITY STAFF, WE FEEL THAT IT IS ON A FAST PATH TO BE APPROVED WITH LITTLE TO NO CITIZEN INPUT AND WE WOULD LIKE TO HAVE YOUR HELP IN DOING THAT. A LITTLE BACKGROUND, THE AREA THAT WE ARE TALKING ABOUT IS AS I MENTIONED THE AREA FROM JACKRABBIT TO INDIAN BEND. THE ALIGNMENT LEADING UP TO THAT POINT IS ON THE WEST SIDE OF THE CANAL AND FOR SOME REASON THE CITY HAS DECIDED THAT IT WOULD BE BETTER TO SWITCH IT TO THE WEST SIDE AND JUST TO GIVE YOU A LITTLE FLAVOR FOR WHAT WE ARE TALKING ABOUT. AND JUST TO SAY THAT I APOLOGIZE FOR THE VARIOUS FASHION FO PAWS. THIS IS ME STANDING ON THE CANAL BEHIND MY OWN HOUSE. YOU CAN SEE THAT THE DISTANCE FROM THE CANAL TO THE FENCE IN THE BACKYARDS WHERE ALL OF THESE NEIGHBORS, HUNDREDS OF HOUSES ALONG THE AREA IS VERY CLOSE. JUST TO SHOW HOW CLOSE FROM THE SIDE OF THE CANAL TO THE FENCE IS JUST A LITTLE BIT WIDER THAN A BIKE. TAKE A LOOK DOWN THE OTHER DIRECTION WHERE YOU CAN SEE THAT THERE ARE A NUMBER, DOZENS IN FACT, OF TOWNHOUSES WHOSE WINDOWS AND DOORS ARE LITERALLY JUST EIGHT TO NINE FEET FROM THE WALL, THEN THE CANAL STARTS FROM THERE. YOU CAN SEE FROM THE CANAL JUST HOW CLOSE YOU ARE TO THE WINDOWS AND DOORS THERE. AND LASTLY I'LL SHOW YOU THIS ONE JUST TO SHOW THE REASON WHY THE CITY STAFF DIDN'T WANT TO GO ON THE OTHER SIDE OF THE CANAL HAS TO DO WITH HOW WIDE THE CANAL IS GOING PAST THREE OR FOUR TELEPHONE POLES AND THEY WANT TO PUT THE PATH ON ONE SIDE RATHER THAN DOING SOMETHING SIMPLE WITH THE PATH GOING ONE WAY AND THE OTHER PATH THE OTHER WAY. THERE ARE A LOT OF REAL EASY SOLUTIONS AND WHAT OUR NEIGHBORS WOULD ASK OF YOU IS TO HOPEFULLY GET IN FRONT OF THIS AND POSTPONE SOME OF THE TRANSPORTATION MEETINGS AND ALLOW US TIME TO HAVE CITIZENSHIP INPUT AND HELP DESIGN A PATH TO WORK FOR EVERYBODY INSTEAD OF IMPACTING NEGATIVELY HUNDREDS OF RESIDENTS, THANK YOU FOR YOUR CONSIDERATION.

Mayor Lane: THANK YOU, MR. NESBIT. NEXT IS JIM DEROUIN.

[Time: 00:13:57]

Jim Derouin: MAYOR. AND MEMBERS OF THE COUNCIL I'M JIM DEROUIN, MY WIFE AND I LIVE AT 12827 NORTH 130th PLACE. I AM PRESENTING A PETITION ON BEHALF OF MYSELF AND JERRY GETTINGER. JERRY AND HIS WIFE LIVE AT 10018 EAST FRIESS DRIVE IN SCOTTSDALE. THE PETITION AND I HAVE SUBMITTED A LETTER OF TRANSMITTAL WITH THE PETITION AND WITH A LIST OF ALL OF THE SIGNATORIES TO IT. IT READS AS FOLLOWS: WE THE UNDERSIGNED AS EMPLOYERS AND CITIZENS IN SCOTTSDALE DO RESPECTFULLY REQUEST THAT CITY COUNCIL DIRECT THE CITY'S TRANSPORTATION DEPARTMENT TO GATHER INFORMATION TO INITIATE A DIALOGUE TO EXAMINE FEASIBILITY OF HIGH CAPACITY TRANSPORTATION AND AVAILABLE OPTIONS. THE REPORT SHOULD INCLUDE FUTURE NEEDS IN CONJUNCTION WITH SUR ROUNDING COMMUNITIES, WE REQUEST THAT THE REPORT BE PREPARED SO THAT IT WILL SERVE TO UPDATE SCOTTSDALE'S TRANSPORTATION MASTER PLAN AND REQUEST THAT THE REPORT INVESTIGATE VARIOUS TYPES OF HIGH TRANSPORTATION. THE REPORT SHOULD EXAMINE HIGH CAPACITY TRANSPORTATION AND ITS EFFECT ON BUSINESS TOURISM AND SCOTTSDALE'S GENERAL POPULATION WITH PARTICULAR EMPHASIS ON THE AGING COMMUNITY. JERRY AND I FOUND EACH OTHER BECAUSE WE BOTH WRITE SOME THINGS FOR THE SCOTTSDALE REPUBLIC. JERRY AND HIS WIFE CAME TO SCOTTSDALE IN 1990 AND ME AND MY WIFE CAME IN 1985. WE CARE FOR COMMUNITY. THERE ARE SOME THINGS OF COURSE THAT CONSTANTLY CHANGE. THERE ARE SOME THINGS THAT DON'T CHANGE. AND THAT IS THE NEED FOR COMMERCIAL AREAS, RETAIL AREAS AND A VIBRANT ECONOMY. BECAUSE ULTIMATELY THE STANDARD OF LIFE DEPENDS ON THE ABILITY TO AFFORD THE SERVICES THAT ARE REQUESTED. TOURISM IS OBVIOUSLY IMPORTANT TO THE COMMUNITY. WE CAN'T HOLD BACK THINGS AND TAKE A PICTURE AND MAINTAIN THAT FOREVER. OUR THINKING IS THAT IT HAS COME TIME TO LOOK AT TRANSPORTATION ISSUES AND THEIR IMPACT ON THE VITAL PARTS OF THE COMMUNITY. TOURISM, EMPLOYMENT, EDUCATION, RETAIL, RESIDENTIAL, THERE ARE CERTAINLY AREAS IN THE CITY SUCH AS THE AIRPARK AND MEDICAL FACILITIES THAT ARE 24/7. AND NEED AND DESERVE THE ABILITY OF INGRESS AND EGRESS BY PEOPLE. LET'S DO WHAT JOHN McCAIN SAID LAST YEAR AND "LET'S COLLECT THE DARN FACTS AND HAVE THE DARN DISCUSSION". THIS PROPOSAL IS INTENDED TO COLLECT AND THE FACTS AND DOESN'T ASK FOR ANYONE TO TAKE SIDES ON ANYTHING OTHER THAN TO COLLECT THE FACTS AND HAVE A COMMUNITY DISCUSSION. MR. MAYOR THANK YOU VERY MUCH, MEMBERS OF THE COUNCIL, AND THE LETTER OF TRANSMITTAL AND THE SIGNATORIES IS AVAILABLE FOR YOU. THANK YOU VERY MUCH.

Mayor Lane: THANK YOU, MR. DARWIN. AND NEXT IS KATHY LITTLEFIELD.

[Time: 00:17:42]

Kathy Littlefield: THANK YOU MY NAME IS KATHY LITTLEFIELD. I LIVE AT 8926 EAST SHEENA DRIVE HERE IN SCOTTSDALE. GOOD EVENING MR. MAYOR AND MEMBERS OF THE COUNCIL. I AM HERE TO ADDRESS NOT ONLY THE COUNCIL AND THE PEOPLE HERE IN THE KIVA BUT ALSO THE LISTENERS AT HOME. I WOULD LIKE TO REMIND YOU THAT THE FIRST YEAR OF OUR 80 MEMBER SCOTTSDALE PHILHARMONIC ORCHESTRA IS COMING TO A CLOSE, ITS FINAL PERFORMANCE WILL BE ON SUNDAY, JUNE 2nd AT 4:00 P.M. HOWEVER, I WOULD LIKE TO NOTE FOR YOU ALL THAT IT IS NOT GOING TO BE AT THE CENTER FOR THE ARTS. THIS ONE PERFORMANCE ONLY WILL BE AT SAGUARO HIGH SCHOOL AUDITORIUM, SAME TIME, DIFFERENT STATION. ALL OF THE PERFORMANCES FOR NEXT YEAR, HOWEVER, WILL BE AT THE CENTER FOR THE ARTS. THIS PROGRAM, THIS FINAL PROGRAM IS A LITTLE BIT DIFFERENT ALSO. IT IS GOING TO BE A POPS CONCERT. AND IT WILL HAVE SELECTIONS FROM AMONG OTHER THINGS FROM LES MIS AND WEST SIDE STORY. ALSO THE PHILHARMONIC IS PROUD TO ANNOUNCE THE LAUNCH THE NEW YOUTH ORCHESTRA FOR HIGH SCHOOL STUDENTS THAT WANT

TO PLAY IN A PROFESSIONAL SETTING. AUDITIONS WILL BE REQUIRED AND SEATING WILL BE LIMITED. AUDITIONS BEGIN IN AUGUST AND REHEARSALS WILL BE WEEKLY. THE FIRST CONCERT IS SCHEDULED TO BE HELD THE END OF NOVEMBER, THE FIRST PART OF DECEMBER. THE MUSICAL DIRECTOR FOR THIS WILL BE ANNOUNCED NEXT WEEK. ALL STUDENTS WHO ARE INTERESTED IN PLAYING IN A PROFESSIONAL YOUTH ORCHESTRA ARE REQUESTED TO PLEASE VISIT THE SCOTTSDALE PHILHARMONIC WEB SITE AT WWW.SCOTTSDALEPHILHARMONIC.COM AND SCOTTSDALE PHILHARMONIC IS REQUESTING VOLUNTEERS TO HELP WITH VARIOUS ORCHESTRA FUNCTIONS. IF YOU ARE INTERESTED IN CONTACTING THEM IN REGARDS TO THIS, PLEASE CALL BARBARA AT THE SYMPHONY'S OFFICE, (480)951-6077. FINALLY THIS NEW PROGRAM WILL BE FREE TO ALL STUDENTS AND ALL CONCERTS WILL BE FREE TO THE PUBLIC AS IS THE ADULT 80 MEMBER PHILHARMONIC SYMPHONY. THEREFORE, NEEDLESS TO SAY, CONTRIBUTIONS ARE ALWAYS WELCOME. BOTH OF THESE SCOTTSDALE PHILHARMONIC ORCHESTRAS BRING A VIBRANT AND BEAUTIFUL NEW CULTURAL ASPECT TO OUR CITIES AND CITIZENS. I INVITE AND URGE YOU TO COME AND LISTEN FREE OF CHARGE TO OUR WONDERFUL NEW SCOTTSDALE PHILHARMONIC JUNE 2nd, 4:00 P.M. AT THE SAGUARO HIGH SCHOOL AUDITORIUM. THANK YOU VERY MUCH.

Mayor Lane: THANK YOU MRS. LITTLEFIELD. NEXT WILL BE SUZANNE BUSSEUIL. I'M SORRY.

[Time: 00:21:10]

Suzanne Busseuil: GOOD EVENING MR. MAYOR AND COUNCILMEMBERS. I'M A LITTLE NERVOUS; I WASN'T PREPARED TO SPEAK TONIGHT. MY NAME IS SUSAN BUSSEUIL AND I LIVE AT 6132 NORTH 77th PLACE. I'M HERE REGARDING THE ARIZONA CANAL PROJECT AND I WANT EVERYONE HERE TO KNOW THAT I WAS NEVER NOTIFIED ABOUT THIS PROJECT AND I BELIEVE THAT MOST OF THE RESIDENTS ALONG THE CANAL FROM JACKRABBIT TO INDIAN BEND HAVE NOT BEEN NOTIFIED EITHER. I THINK THAT IT IS VERY IMPORTANT AND CRUCIAL THAT THE RESIDENTS ALONG THAT CANAL DO HAVE AN OPPORTUNITY TO BE AWARE OF WHAT IS GOING ON AND GET TOGETHER AND TRY TO FIND A SOLUTION TO THIS PROJECT. MY HOUSE IS ABOUT THE SAME PROXIMITY AS ERIC'S AND I'M THROWS TO THE CANAL, PROBABLY FIVE FEET TO MY WALL. THE THING THAT CONCERNS ME WITH THIS PROJECT, THERE IS A LOT OF ACTIVITY AND THERE IS GOING TO BE LIGHTS THAT I WAS INFORMED THAT WILL BE ON 24/7, RIGHT NOW AS IT IS DURING THE DAYTIME, WE HAVE PEOPLE JOGGING AND WALKING ALONG THE CANAL AND NOT A LOT OF ACTIVITY BUT PEOPLE STOPPING AND PEERING AND LOOKING AT THE WINDOWS AND VERY CURIOUS ABOUT WHAT IS IN THE BACKYARD. IT CONCERNS ME THAT IF WE HAVE PEOPLE GOING UP AND DOWN THE CANAL WITH A CEMENTED AREA AND EATING AREAS AND TABLES AND SKATERS AND SKATE BORDERS THAT THERE WILL BE A LOT MORE PEERING AND THAT MY HOUSE WILL BE MORE LIKE A FISHBOWL, IF YOU WILL AND MY PRIVACY WILL BE AT RISK AND WITH ALL OF THE ACTIVITY IT COULD CREATE MAYBE SOME PROBLEMS WITH VANDALISM AND THINGS OF THE SUCH. THAT'S ABOUT ALL I HAVE TO SAY, I HOPE THAT YOU TAKE THIS INTO CONSIDERATION AND PLEASE REVIEW THIS AND LET US HAVE THE OPPORTUNITY TO GET MORE OF THE NEIGHBORS INVOLVED SO THEY KNOW WHAT IS GOING ON. IS MY TIME UP?

Mayor Lane: YOU DON'T HAVE TO USE IT IF YOU DON'T WANT TO.

Suzanne Busseuil: OKAY. GOOD. THANK YOU VERY MUCH AND HAVE A NICE EVENING.

Mayor Lane: THANK YOU MS. BUSSEUIL. NEXT IS ANNA LOCK/MAUREEN.

[Time: 00:23:54]

Anna Lock/Maurean: I AM ANNA LOCK AND I LIVE AT 8163 EVIL EAST RANCH ROAD SCOTTSDALE AND I AM REPRESENTING THE GREASEPAINT YOUTH THEATER. I WOULD LIKE TO READ A LETTER AND PUT IN THE PUBLIC RECORD THAT YOU HAVE ALREADY RECEIVED. BUT HERE IT GOES. DEAR MAYOR AND CITY COUNCIL, THE CITY OF SCOTTSDALE IS ON THE VERGE OF A RENAISSANCE AND GREASEPAINT YOUTH THEATER IS THRILLED TO BE PART OF THESE TRANSFORMATIONAL CHANGES, AS YOU MOVE THEM FROM VISION TO REALITY, FROM STRATEGIC PLANNING TO IMPLEMENTATION. GREASEPAINT TOUCHES THOUSANDS OF LIVES A YEAR BY PROVIDING A LIVE INTERACTIVE THEATER EXPERIENCE FOR CHILDREN AGES 6 TO 19 WITHOUT COST TO THE PARTICIPATING CHILDREN OR THEIR FAMILIES. AS WE WORK WITH THE CITY OF SCOTTSDALE TO BUILD ON OUR PARTNERSHIP AND TAKE IT TO THE NEXT LEVEL, WE ENTHUSIASTICALLY SUPPORT THE UPCOMING STRATEGIC PLANNING WORKSHOP THAT YOU ARE EMBARKING ON JUNE 18, 2013. DURING THE PAST 50 YEARS THE STAGE BRUSH THEATER, SCOTTSDALE COMMUNITY PLAYERS AND NOW GREASEPAINT HAVE BECOME AN IMPORTANT PART OF THE CULTURAL FABRIC OF THE DOWNTOWN SCOTTSDALE COMMUNITY. WHAT MAKES SCOTTSDALE DOWNTOWN AN IMPORTANT ASSET IS THE ECONOMIC TOURISM AND CULTURAL AMENITIES OFFERED TO THE CITIZENS, BUSINESSES, AND VISITORS. SCOTTSDALE ARTISTIC AND CULTURAL VENUES ARE AT THE HEART OF THESE DOWNTOWN SCOTTSDALE OPPORTUNITIES, WHICH DIFFERENTIATES SCOTTSDALE FROM OTHER COMMUNITIES. EXPERTS AGREE THAT AS OUR COUNTRY RECOVERS FROM RECESSION INCREASE, THE ECONOMY RETAINING AND ATTRACTING TALENTED WORKERS IS THE SILVER BULLET FOR SUCCESSES IN COMMUNITIES THROUGHOUT THE WORLD.

CEO'S FOR CITIES RECENTLY PUBLISHED A REPORT THAT FOUND 64% OF HIGHLY MOBILE GLOBAL WORKERS WERE MORE LIKELY TO CHOOSE A JOB BECAUSE OF WHERE THE ORGANIZATION IS LOCATED THAN THE ORGANIZATION ITSELF. THESE YOUNG EDUCATED PEOPLE ARE OUR NATION'S FUTURE ARE BEING DRAWN TO CERTAIN CITIES AND ONCE IN THEM THEY ARE MORE LIKELY TO CHOOSE VIBRANT, CLOSE KNIT NEIGHBORHOODS THAN OTHER AMERICANS. THEY ARE DEMANDING NEW QUALITY OF LIFE THAT OFFERS A DIVERSITY OF EXPERIENCES THAT OFFERS ARTS AND CULTURE AND INTERESTING 3rd PLACES. SUCH AS PLACES TO GATHER AND CONNECT BEYOND HOME AND WORK, THE CORPORATIONS AND INNOVATIVE ENTREPRENEURS ARE FOLLOWING THE WORKERS AND GREASEPAINT IS WORKING TO HELP CREATE A HOME FOR THEM THERE. AS YOU EMBARK ON THE WORSHIP, GREASEPAINT WILL WORK WITH COMMUNITY TO MAP OUT ITS FUTURE. THESE EFFORTS WILL CULMINATE IN A STRATEGIC AND DEVELOPMENTAL PLAN THAT WILL OUTLINE HOW GREASEPAINT WILL COMPLIMENT ITS NEIGHBORS, THE MUSEUM OF THE WEST AND SCOTTSDALE ARTISTS SCHOOL AND PROVIDE THE CITY OF SCOTTSDALE WITH AMAZING OPPORTUNITY TO CREATE A THEATRICAL AND VISUAL CULTURAL ARTS CORRIDOR ON 2nd STREET BY CONNECTING THE MUSEUM OF THE WEST GREASEPAINT AND SCOTTSDALE ARTIST SCHOOL TO THE WEST WITH THE SCOTTSDALE OF MUSEUM CONTEMPORARY ART AND THE SCOTTSDALE CENTER FOR PERFORMING ARTS TO THE EAST. THAT WAS A LONG SENTENCE. WHEN WORKING TOGETHER, THESE PARTNERS PROVIDE NOT ONLY A DYNAMIC MIX OF USES CONNECTED TO MAIN STREET BUT ENHANCEMENT TO THE ENTIRE DOWN AREA THAT BALANCES OUT THE ADJACENT DISTRICT. IT IS EXCITING TIME TO TACKLE THESE IMPORTANT ISSUES AND TO CREATE A SCOTTSDALE COMMUNITY THAT EMBRACES ITS YOUNG PEOPLE AND PROVIDES THE INTERESTING PLACES THAT WILL KEEP THEM COMING BACK LONG AS THEY BECOME HIGHLY EDUCATED AND START THE MULTI-MILLION OR BILLION DOLLAR COMPANIES, HERE IS TO ANOTHER 50 YEARS OF CREATING A BRIGHT FUTURE FOR SCOTTSDALE. VERY TRULY YOURS,

MAUREEN DIAZ, THE ARTISTIC DIRECTOR. TRACY BAILEY, CHELSEA HOLLOWAY AND A WHOLE HOST OF ADVISORY BOARD MEMBERS.

Mayor Lane: THANK YOU MS. LOCK.

Anna Lock: RIGHT ON TIME, I PLANNED THAT.

Mayor Lane: I GAVE YOU A LITTLE BIT OF TIME THERE. THAT COMPLETES OUR PUBLIC TESTIMONY OR I SHOULD SAY PUBLIC COMMENT FOR THIS PORTION OF THE MEETING.

### **MINUTES**

[Time: 00:28:09]

Mayor Lane: UNLESS THERE IS QUESTIONS OR MODIFICATIONS THAT SHOULD BE NOTED ON THE MINUTES. DO I HAVE A MOTION TO APPROVE THE REGULAR MEETING MINUTES OF APRIL 9th 2013?

Councilmember Korte: SO MOVED.

Vice Mayor Klapp: SECOND.

Mayor Lane: MOVED AND SECONDED AND SEEING THAT THERE IS NO FURTHER COMMENT, READY TO VOTE. ALL THOSE IN FAVOR REGISTER YOUR VOTE OPPOSED A NAY. MINUTES ARE PROVED UNANIMOUSLY. THANK YOU.

### **CONSENT ITEMS**

[Time: 00:28:52]

Mayor Lane: MOVE ON TO ITEMS ONE THROUGH 13 AND ITEM FOUR WAS REMOVED AT THE REQUEST OF STAFF SO IT WILL BE ABSENT, ITEM FOUR AND I DO HAVE A REQUEST FOR A COMMENT OR A QUESTION ON ITEM SIX.

Councilman Robbins: THANK YOU, MAYOR I HAVE A QUICK QUESTION FOR STAFF ON NUMBER SIX. I DON'T KNOW WHO IS GOING TO ANSWER THIS. JUST THE DISCREPANCY, I JUST WANTED TO CLEAR UP ON THE HOURS OF OPERATION FOR THE SHOW TIMES IN THE BODY OF THE COUNCIL REPORT, WE HAVE THAT THERE WILL BE THURSDAY THROUGH SATURDAY BUT THEN IN THE TABLE, AT THE END, IT HAS MORE DAYS THAN THAT SO I WANTED TO KNOW THE CONTROLLING DAYS, IT HAS MONDAY THROUGH SATURDAY AND THEN IN THE BODY THURSDAY THROUGH SATURDAY SO WHAT IS THE REAL NUMBER OF DAYS OF LIVE ENTERTAINMENT.

Planner Meredith Tessier: GOOD EVENING, MAYOR LANE AND COUNCIL, I AM MEREDITH TESSIER WITH THE PLANNING DEPARTMENT. TO CLARIFY, WE ARE GOING FOR THE STIPULATION NUMBER THREE WHICH IS REFLECTING THE ACCURATE HOURS AND TIME FRAME.

Councilman Robbins: OKAY. SO IT IS THE MONDAY THROUGH SATURDAY.

Meredith Tessier: CORRECT.

Councilman Robbins: THANK YOU. THAT'S ALL.

Mayor Lane: THANK YOU COUNCILMAN. SEEING NO CARDS ON ANY OF THESE AND NO FURTHER COMMENTS FROM THE COUNCIL HERE, I WOULD ACCEPT A MOTION TO APPROVE CONSENT ITEMS ONE THROUGH 13 ABSENT ITEM FOUR.

Councilman Robbins: MOVE TO APPROVE MAYOR.

Councilmember Korte: SECOND.

Mayor Lane: MOTIONS ARE MADE AND SECONDED. AND WE ARE READY TO VOTE. ALL THOSE IN FAVOR PLEASE INDICATE AND REGISTER YOUR VOTE, UNANIMOUS APPROVAL OF THE CONSENT ITEMS ONE THROUGH 13, ABSENT ITEM 4.

#### **REGULAR AGENDA**

[Time: 00:30:55]

Mayor Lane: MOVE ONTO THE REGULAR AGENDA ITEMS. 14 THROUGH 18. WE'LL START OF COURSE WITH ITEM 14 WHICH IS THE PUBLIC HEARING REVIEW OF THE PROPOSED FISCAL YEAR 2013 BUDGET; MR. WORTH IS AT THE PODIUM TO START US OFF ON THIS OR TO BRING US THROUGH.

#### **14. PUBLIC HEARING AND REVIEW OF THE PROPOSED FISCAL YEAR 2013/14 BUDGET**

Acting City Manager Dan Worth: MAYOR AND MEMBERS OF COUNCIL, I WOULD LIKE TO SET THE STAGE FOR THE DISCUSSION OF THIS ITEM. AS YOU WELL KNOW, WE PUBLISHED OUR PROPOSED CITY MANAGER'S PROPOSED BUDGET IN MARCH AND AT A SERIES OF PRESENTATIONS AND OVERALL PRESENTATION FROM APRIL 9th, FOLLOWED BY DIVISION PRESENTATIONS AND DISCUSSIONS APRIL 16th AND 17th. DURING THESE PRESENTATIONS, YOU GAVE US GUIDANCE ON A NUMBER OF SPECIFIC ITEMS, YOU DIRECTED US TO ADD SOME THINGS BACK INTO THE BUDGET AND TO COME BACK WITH SOME ADDITIONAL INFORMATION ON SEVERAL ITEMS. THE INTENT TONIGHT IS TO SHOW YOU WHAT THE BUDGET NOW LOOKS LIKE AS A RESULT OF THOSE THINGS THAT YOU DIRECTED DURING THE DIVISIONAL PRESENTATIONS AND TO COME BACK WITH ADDITIONAL INFORMATION TO ANSWER QUESTIONS THAT YOU HAD DURING THE SAME PRESENTATION. YOU CAN SEE THE OUTLINE THAT WE WILL FOLLOW, THE FIRST PART OF THE PRESENTATION GOES TO THAT FIRST ITEM AND I WILL SHOW YOU WHAT IT LOOKS LIKE, THE PROPOSED BUDGET AS A RESULT OF WHAT YOU DIRECTED TO DATE. TREASURER DAVID SMITH WILL PRESENT THAT AND THE SECOND ITEM, YOU ASKED US TO LOOK AT THE REVENUE ESTIMATES IN PARTICULAR THE SALES TAX ESTIMATES IN LIGHT OF WHAT HAS HAPPENED OVER THE LAST FEW MONTHS SINCE WE MADE OUR INITIAL REVENUE PROJECTIONS, WE WILL GO THROUGH THAT. WE WILL TALK ABOUT SEVERAL ITEMS ON THE USE SIDE AND BILL MURPHY WILL PRESENT AN UPDATE ON THE ISSUE REGARDING SCOTTSDALE CARE'S FUNDING. I'M GOING TO COME UP AND TALK TO YOU ABOUT A PLAN FOR TRANSITION IN SIX POSITIONS OUT OF THE COURT ENHANCEMENT FUND TO THE GENERAL FUND. I WILL ALSO ADDRESS QUESTIONS ABOUT THE POLICE

RETENTION AND GIVE YOU CONTEXT AND CURRENT NUMBERS FOR WHERE WE ARE AT WITH TURNOVER RATES IN PARTICULAR. AND WE HAVE TWO ITEMS REGARDING THE FIRE DEPARTMENT. ONE I'LL PRESENT A DISCUSSION OF THE ADDITIONAL STAFFING THAT WAS REQUESTED BUT NOT INCLUDED IN THE BUDGET FOR STATION 2. I WILL HAVE FIRE MARSHAL CHIEF JIM PORT COME UP TO PRESENT THE SECOND ITEM WITH REGARD TO ADDITIONAL STAFFING IN HIS GROUP AND WE WILL CONCLUDE THE PRESENTATION WITH DARYL ROLE DISCUSSING CAPITAL PROJECTS THAT THERE WAS SOME NEED FOR ADDITIONAL INFORMATION ON. WITH THAT I WILL INTRODUCE THE TREASURER MR. SMITH TO BEGIN ON THE FIRST ITEM.

Mayor Lane: THANK YOU, MR. WORTH.

[Time: 00:34:02]

City Treasurer David Smith: GOOD EVENING MR. MAYOR AND MEMBERS OF COUNCIL. NOT A LOT CHANGED ON THE TENTATIVE BUDGET BUT I WILL GO THROUGH THE NUMBERS. THIS IS WHAT WE CALL A HIGH LEVEL SUMMARY AND THE FIRST THING THAT WE DO ON THIS HIGH LEVEL SUMMARY IS TRY TO LOOK AT THE SOURCES AND USES IN A SENSE OF A STEADY STATE OF WHAT WILL THE REVENUES LIKELY TO BE WITHOUT INTERVENTION AND WHAT WILL THE USES BE WITHOUT CONSIDERING SOME OF THE NEW REQUIREMENTS OF THE GEAR. THE ONE THING I WILL CALL TO YOUR ATTENTION IN THE REVENUES AND I WILL CIRCLE THE NUMBER UP HERE AT THE TOP, THE NUMBER COMPARING THE FORECAST FOR THIS YEAR \$222,246,000, TO THE NUMBER FOR NEXT YEAR, \$228 MILLION AND THAT IS INCREASE OF ABOUT \$6 MILLION, TWO THINGS WHAT HAPPENED THERE. BOTH OF THEM REVIEWED WITH YOU AT THE LAST MEETING IN A LOT OF DETAIL, NUMBER ONE YOU GAVE DIRECTION TO THE CITY MANAGER, TO SLOW DOWN THE REDUCTION, THAT SOUNDS LIKE A STRANGE WAY TO SAY IT BUT TO SLOW DOWN THE IMPLEMENTATION OF THE CHANGE AND ADMINISTRATIVE CHARGES THAT WE ARE RUNNING BETWEEN THE GENERAL FUND AND THE WATER COMPANY. WE HAD INTENDED TO MAKE THE LAST YEAR OF THAT CHANGEOVER TWO YEARS, YOU SAID DO IT OVER THREE YEARS AND THAT HAD THE EFFECT OF IMPROVING THE REVENUES AND GENERAL FUND BY \$238,000. THE SECOND THING WE DID AND WE WILL TALK ABOUT THIS LATER, WE DID LOOK AT THE SALES TAX NUMBERS AND I'LL REVIEW FOR YOU THE FINDINGS, WE INCREASED THE SALES TAX NUMBER BY ABOUT \$150,000. THAT IS SOMETHING THAT WE CUSTOMARILY DO ANYWAY. ONCE WE HAVE AN ADDITIONAL MONTH OR TWO UNDER THE BELT AND THEN THE SALES TAX THE FORECASTING PEOPLE MAKE THE ADJUSTMENTS AND WE WILL TALK ABOUT THAT MORE IN A MOMENT. THE OTHER NUMBER THAT I WOULD CALL YOUR ATTENTION TO IS DOWN IN THE EXPENDITURE CATEGORY, INCLUDING CONTRACTS PAYABLE AND I WILL CIRCLE THE NUMBERS HERE. THERE'S AGGREGATE AMOUNT OF CHANGE, \$7 MILLION AND THERE WASN'T ANYTHING THAT CHANGED IN THIS SET OF NUMBERS FROM WHAT WE HAVE BEFORE BUT BELOW THE LINE, WE WILL HAVE SOME CHANGES TO REVIEW WITH YOU.

THE NEXT THING THAT WE DO IN THE BUDGET STARTING WITH THAT SUBTOTAL FROM THE FIRST PAGE IS THAT WE DO GO THROUGH SOME OF THE KNOWN ADJUSTMENTS TO REVENUE AND TRY TO NORMALIZE THE YEAR FOR 13/14 AND 14/15. THE INDIRECT COST ALLOCATION IS \$492,000, AS I SAID THAT IS ABOUT \$238,000 BETTER THAN IT WAS. WE ARE SLOWING THAT IMPLEMENTATION OVER THREE YEARS INSTEAD OF TWO. WE DO HAVE FAVORABLY AFFECTING US THIS COMING YEAR, \$200,048,000 AS WESTWORLD WHICH IS THE BED TAX OPERATING SUPPORT THAT WAS VOTED AT THE TIME OF THE PROJECT WAS IMPLEMENTED AND, OF COURSE, WE ALSO HAVE \$400,000 PLANNED NEW

REVENUES AND PRICE INCREASES AT WESTWORLD, ALSO PURSUANT TO THE PROJECT IMPLEMENTATION. AND WE DON'T TALK MUCH ABOUT 14/15, BUT YOU WILL SEE IN 14/15, TO MAKE THE NUMBERS WORK, WE ALSO HAVE FORECAST OR THEY HAVE FORECAST \$2,000,000 NEW REVENUES TO OCCUR IN FISCAL YEAR 14/15, WE WILL SEE THE IMPORTANCE OF THAT IN JUST A MOMENT. THOSE ARE THE KNOWN HIGH LEVEL ADJUSTMENTS TO REVENUE AND, OF COURSE, ENUMERATED HERE ARE FAVOR AND THINGS THAT HAPPEN THIS YEAR AND WILL NOT HAPPEN NEXT YEAR, THE FAVORABLE SETTLEMENT ON ASRS BANKRUPTCY SET THE AND REBATE AGREEMENT, WE HAVE TALKED ABOUT THESE IN THE MONTHS PASSED. THEY ARE GOOD NEWS FOR THIS YEAR AND ENHANCE THE RESERVED FUND BUDGET BALANCE AND GIVE US MONEY TO SPEND ON ONE-TIME EVENTS BUT THEY WILL NOT BE THERE IN ALIKE AMOUNT IN 13/14 OR FUTURE YEARS.

[Time: 00:38:35]

AND THEN THE EXPENDITURES SOME OF THE HIGH LEVEL CHANGES THAT HAVE BEEN MADE AND WE HAVE REVIEWED THEM WITH YOU, YOU KNOW, I THINK, YOU HAVE HAD A DISCUSSION OF THE DOLLAR AMOUNTS THAT ARE SET ASIDE FOR THE PERFORMANCE PAID PROGRAM IN 13/14. AND THE IMPLEMENTATION OF THE 105% SALARY ADJUSTMENTS TO BRING THE CITY UP TO THE 105 AVERAGE, THAT INITIATIVE THAT GOES BACK SEVERAL MONTHS. WE HAVE TALKED ABOUT MOST OF THE ITEMS ON THIS PAGE AND NOTHING REALLY CHANGED FROM WHAT WE HAD BEFORE; HEALTH CARE, RETIREMENT, ALL OF THEM ARE INCREASING AT THE RATES WE HAD PREVIOUSLY INDICATED TO YOU.

AND NOW WE GET TO SOME ITEMS THAT HAVE CHANGED, THE FIRST EIGHT OR TEN ITEMS ON HERE HAVE NOT BUT YOU HAVE SEEN THEM BEFORE, THE CATEGORIES THAT THE CITY MANAGER HAS TALKED THE FIRST THREE OR FOUR LINES ARE THE "HAVE TO DO" ITEMS, UTILITIES WILL GO UP AND FACILITY MAINTENANCE WILL GO UP AND STADIUM OPERATIONS COSTS ARE GOING TO INCREASE. SO IN HIS REVIEW OF THE DIVISION BUDGET SUBMISSIONS, THESE ARE THE DETERMINATIONS OF THINGS THAT HAD TO BE DONE. AND THEN HE HAD A SERIES OF MISCELLANEOUS ITEMS RECOMMENDING TO BE DONE AND SOME OF THEM INVOLVING FULL-TIME EQUIVALENT EMPLOYEES AND THE ADDITION OF EMPLOYEES AND ONE IN MY AREA, BANKING FEES THAT ARE GOING TO GO UP. FINALLY AT THE BOTTOM ARE A COUPLE OF ITEMS THAT YOU GAVE DIRECTION AT THE LAST TIME WE WERE TOGETHER. THAT THE CITY MANAGER INCLUDED IN THE BUDGET \$63,000 FOR POLICE DISPATCH TO DEAL WITH PIPELINE ISSUES THAT THEY HAVE THERE AND EMPLOYMENT PRIMARILY IN THE 911 AREA AND \$124,000 WHICH IS THE 3% PROVISION OR PROVISIONAL ALLOWANCE IF YOU WILL IN THE MANAGEMENT SERVICES AGREEMENT FOR THE CULTURAL COUNCIL. SO THOSE WERE DONE AS I SAID PURSUANT TO YOUR DIRECT AT THE LAST MEETING.

THAT BRINGS US DOWN TO THE OPERATING BUDGET WHICH YOU DOWN HERE AT THE BOTTOM AND I WILL CIRCLE THE NUMBER AND IT IS I WILL CALL IT VERY NEARLY BALANCED, \$111,000 OVER THE MONEY. AND IT'S OVER THE MONEY BECAUSE OBVIOUSLY WE HAVE PUT A COUPLE OF ITEMS IN. WE DID INCREASE THE SALES TAX A LITTLE BIT. WE DID PROVIDE SOME RELIEF FOR THE GENERAL FUND WITH THE CHARGES THAT ARE COMING MADE TO THE WATER COMPANY. BUT WE STILL HAVE \$111,000 TO LOOK FOR. LAST YEAR AT THIS TIME, I WOULD REMIND YOU, WE HAD, AS THE NUMBERS SHOW HERE; I CIRCLED \$270,000 TO FIND. USUALLY WHEN WE GET IT THIS CLOSE, WE SAY GIVE US A LITTLE TIME AND WHEN WE DO THE TENTATIVE BUDGET, WE WILL FIGURE SOMETHING OUT AND FIND ANOTHER \$111,000 SOMEWHERE. AND THE ONLY OTHER THING I WILL CALL TO YOUR ATTENTION BEFORE WE LEAVE THIS PAGE AND AGAIN WE DON'T SPEND A LOT OF TIME TALKING

ABOUT YEAR AFTER NEXT BUT 14/15 IS WORTH LOOKING AT BECAUSE IT IS \$76,000 POSITIVE. SO I WOULD REMIND YOU IT IS BARELY BALANCED BUT IT IS BARELY BALANCED AFTER WE HAVE IDENTIFIED WHAT WE THINK IS A REASONABLE LEVEL OF REVENUES AND INCLUDED TWO MILLION DOLLARS WORTH OF WESTWORLD NEW REVENUES AND PROVIDED NOTHING IN THIS CATEGORY CALLED HAVE TO DOS OR WANT TO DOS OR ANYTHING ELSE. I WON'T SPEND A LOT OF TIME TALKING ABOUT 14/15 EXCEPT TO ALERT YOU THAT ANOTHER DIFFICULT YEAR LIES AHEAD UNLESS WE GET SOME REMARKABLY BETTER RECOVERY IN THE ECONOMY THAN WHAT WE NOW FORESEE.

THEN WE GO IN THE CATEGORY OF ONE TIME EXPENDITURES AND THIS IS AFTER YOU GOT THE BALANCED OPERATING BUDGET. THEN THE COUNCIL LOOKS AT WHAT ARE THE OPPORTUNITIES FOR SPENDING ONE TIME MONEY, THE UNRESERVED FUND BALANCE AND THAT UNRESERVED FUND BALANCE AT THE BEGINNING OF THIS COMING HERE WILL BE AROUND 12 OR 12-AND-A- HALF MILLION DOLLARS. IT IS LIKE SAYING ON THE PREVIOUS PAGES SPEND MY INCOME BUT NOW I'M GOING TO PULL A LITTLE MONEY OUT OF THE BANK. AND WHAT HAS BEEN PULLED OUT OF THE BANK ARE ALL OF THE ENUMERATED ITEMS IN THIS COLUMN FOR 13/14. THE BIGGEST SINGLE ITEM IS AGAIN MAKING A VOLUNTARY AND DISCRETIONARY ADDITIONAL THREE MILLION DOLLAR CONTRIBUTION TO THE CIP "PAYGO" PLAN, WHICH IS REALLY TO THE GENERAL FUND, CIP PROGRAM. YOU PUT IN THREE MILLION DOLLARS LAST YEAR. THE CITY MANAGER'S RECOMMENDATION IS TO PUT IN THREE MILLION DOLLARS THIS YEAR AGAIN. \$650,000 AS YOU RECALL FOR THE PORTION OF THE PAY PROGRAM WHICH WILL BE ONE TIME PAYMENTS AND NOT CONTINUING PAYMENTS, SOME INDIVIDUALS HAPPEN TO BE AT THE TOP OF THE RANGE AND IF WE WANT TO REWARD THEM WITH A PAY INCREASE, ALL WE CAN DO IS GIVE THEM A BONUS AND SAY YOUR PAY IS A CONTINUING BASIS BUT HERE IS A BONUS. \$650,000 OF THAT, AND I WON'T GO THROUGH ALL OF THESE. I WILL POINT OUT AT THE BOTTOM ARE TWO ITEMS THAT YOU REQUESTED TO BE INCLUDED AS CHARGES AGAINST THE UNRESERVED FUND BALANCE. TUITION REIMBURSEMENT PROGRAM AND \$81,000 TO DEAL WITH SOME ISSUES OVER AT THE COURT IN REDUCING THE BACKLOG ON THE DUI SITUATION THAT THEY HAVE THERE. AND SO, THE AGGREGATE AMOUNT OF ALL OF THESE EXPENDITURES IN THE ONE-TIME CATEGORY IS ABOUT \$6,240,000. SO AS I SAID, WE STARTED OUT WITH ABOUT 12-AND-A-HALF MILLION AND WE WILL SPEND SIX MILLION OR SO AND IT TURNS OUT WE NEED ANOTHER MILLION DOLLARS FOR THE PERMANENT GENERAL FUND RESERVE AND SO ON THE FOLLOWING PAGE, YOU WILL SEE THAT AT THE END OF NEXT YEAR, WE WILL EXPECT TO HAVE \$5,388,000 STILL UNSPENT IN WHAT WE CALL THE UNRESERVED FUND BALANCE. IT WENT FROM \$12,573,000 AT THE TOP OF THE PAGE DOWN TO \$5,388,000. THE REASON IS COMBINATION OF THE ACTION ON THE PREVIOUS PAGE, SPENDING FROM THIS SAVINGS ACCOUNT. IT REALLY IS A SAVINGS ACCOUNT REPRESENTING THE PRIOR YEAR, WELL MANY PRIOR YEARS OF ACCUMULATED BETTER PERFORMANCE ON REVENUES OR BETTER PERFORMANCE ON EXPENSES. SO SPENDING IT IN THIS WAY IS CONSISTENT WITH WHAT YOU HAVE DONE IN THE PAST. AND AS I SAID, IT MAKES MAJOR ADDITIONAL CONTRIBUTION TO THE GENERAL FUND CIP, THREE MILLION DOLLARS AND YOU WILL HEAR MORE ABOUT THE STATUS OF THE GENERAL FUND CIP LATER FROM MR. DERRICK EARL.

[Time: 00:46:05]

THAT IS WHERE THE BUDGET NOW STANDS. IT IS, AS I SAID WITHIN \$111,000 OF BEING BALANCED AT THE OPERATING LINE LEVEL AND SPENDING 6 MILLION OR SO OF THE UNRESERVED FUND BALANCE FOR A VARIETY OF ONE TIME INITIATIVES THAT HAVE ALL BEEN REVIEWED WITH YOU AND APPROVED BY YOU. UNLESS YOU HAVE A QUESTION THAT IS BURNING ABOUT THESE, WE CAN COME BACK TO

THEM AND I WILL SLIDE RIGHT INTO A DISCUSSION IF YOU WILL ABOUT WHAT WE DID ON THE SALES TAX BECAUSE IT IS GERMANE TO THE FORECAST THAT WE JUST WENT THROUGH. AS I SAID IT WAS INCREASED 150 OR \$200,000 FOR CHANGES THAT WE MADE IN THE SALES TAX AT THE 1.1% LEVEL. IN THIS SLIDE YOU SEE THE 1.1% LOCAL SALES TAX AND BROKEN DOWN TO ABOUT SIX DIFFERENT CATEGORIES, RETAIL, AUTOMOTIVE AND SO ON AND SO FORTH. THE FIRST COLUMN IS THE PROPOSED BUDGET THAT WE HAD LOOKED AT BEFORE. AND NOW WHAT WE ARE CALLING THE UPDATED PROPOSED BUDGET, WE ALMOST RUN OUT OF CREATIVE NEW NAMES FOR THESE COLUMN HEADINGS BUT WE WILL CALL THIS ONE THE UPDATED PROPOSED BUDGET OR IF YOU WOULD AGREE WITH IT, IT WOULD EVENTUALLY BECOME THE TENTATIVE AND THE FINAL BUDGET. BUT WE SHOW IT THIS WAY SO YOU CAN SEE THE CATEGORIES THAT DID CHANGE AS A RESULT OF THE TAX AUDIT FOLKS LOOKING AT NOW TWO MORE MONTHS OF DATA FROM THIS YEAR AND PROJECTING IT FORWARD, A COUPLE OF HUNDRED THOUSAND DOLLAR INCREASE IN THE RETAIL CATEGORY AND UNLIKELY INCREASE IN THE AUTOMOTIVE CATEGORY FROM 11.7 TO 11.8. THAT SOUNDS LIKE ONE HUNDRED THOUSAND BUT I THINK THE DIFFERENCE IS AROUND \$150,000 OR SO. TOURISM, ENTERTAINMENT, AND CONSTRUCTION THOSE CATEGORIES NO CHANGE AND SMALL CHANGES IN THE REMAINING TWO CATEGORIES AND GRAND TOTAL, A COUPLE OF HUNDRED THOUSAND OR THE UNROUNDED NUMBERS ABOUT 150,000 INCREASE IN THE SALES TAX AT THE 1.1% LEVEL. NOW THERE IS OTHER INCREASES IN THE SALES TAX BUT IT GOES FOR RESERVE AND TRANSPORTATION OR WHATEVER.

THE GENERAL FUND AT THE 1.1% LEVEL CAPTURES 2/3 OF THE SALES TAX THAT'S COLLECTED AND THE OTHER ONE-THIRD GOES TO PRESERVE AND TRANSPORTATION. THE OTHER NUMBER THAT DOESN'T SHOW ON HERE IS WHAT THIS BUDGET IS COMPARED TO FOR LAST YEAR IT IS A SLIDE PRESENTED TO YOU BEFORE BUT IF I WERE TO PUT IT IN, IT IS ABOUT 96-AND-A-HALF MILLION DOLLARS AND THAT USED TO BE GOING UP TO 100.3 AND NOW IT IS GOING UP TO 100.5. WE SHOW AT THE BOTTOM, THE CHANGE THAT IS REPRESENTED FROM THE 12/13 FORECAST AND THAT CHANGE IS USED TO BE FOUR PERCENT AND NOW IT IS 4.2. I WOULD SAY TO THE PEOPLE THAT DID THE SALES FORECAST, THEY WENT THROUGH THE EXERCISE FOR THE 12-14 FORECAST AND CAME UP WITH THE NUMBER THAT SAID WE THINK WE WILL BE AHEAD BY FIVE PERCENT AND I THINK SOME OF US ON STAFF WERE PUSHING THEM TO COME UP WITH A HIGHER NUMBER BECAUSE THAT RELIEVES SOME THINGS IN THE GENERAL FUND AND THEY STUCK TO THEIR GUNS, FIVE PERCENT AND NOW AFTER NINE MONTHS I GOT THE NUMBERS THIS MORNING, NINE MONTHS YEAR TO DATE, WE ARE AT FIVE PERCENT. SO THEY ARE SPOT ON THUS FAR AND WE CAN HOPE THAT THEY ARE WRONG AND IT WILL TURN OUT BETTER AS WE GET THE REMAINING MONTHS OF THIS YEAR. I WANT TO TALK A LITTLE BIT ABOUT THE AUTOMOTIVE NUMBER HERE. WE DID TAKE IT UP A COUPLE OF HUNDRED THOUSAND DOLLARS, THAT 11 MILLION, 11 MILLION, 8. IT DOESN'T SHOW ON HERE BUT THAT WILL BE EIGHT PERCENT HIGHER THAN WHAT WE ARE EXPERIENCING OR WHAT WE THINK WE WILL EXPERIENCE THIS YEAR. AND THAT EIGHT-AND-A-HALF PERCENT WILL INCLUDE GROWTH EXISTING AUTOMOTIVE DEALERS AND THE NEW AUTOMOTIVE DEALERS AND, OF COURSE, GROWTH IN THE OTHER SECTOR THAT IS EMBEDDED HERE WHICH IS THE CAR REPAIR AND TIRE SHOPS AND COLLISION REPAIR SHOPS. NOT ALL NEW AND USED AUTOMOBILES, IT IS EVERYTHING RELATED TO AUTOMOTIVE.

[Time: 00:50:54]

ON THE NEXT SLIDE, AND ACTUALLY PEELING BACK THE ONION ON THE AUTOMOTIVE SECTOR. THIS IS THE SAME 11.8 MILLION THAT WE LOOKED AT THE ON THE PREVIOUS SLIDE COLUMN ONE. AND IT SHOWS THE COMPOSITION OF THIS. THIS NUMBER IS DOMINATED BY WHAT I CALL THE EXISTING

DEALERSHIPS BUT 2.8 MILLION OF IT WHICH I KIND OF OVERWROTE THERE, YOU MAY NOT BE ABLE TO SEE IT BUT 2.8 MILLION IS FOR MAINTENANCE, WHICH MEANS TIRES AND OIL AND SO ON. AND THEN WE HAVE A CATEGORY IN THERE FOR NEW DEALERSHIPS. WE SAY NEW DEALERSHIPS NET BECAUSE THERE IS WHAT WE ANTICIPATE AS SOME DEGREE OF CANNIBALIZATION FROM THE EXISTING DEALERSHIP WHEN A NEW DEALERSHIP OWNS HERE, IT IS NOT ONLY A SUM GAIN BUT NEARLY IS. SO WE EXPECT \$13 MILLION COMING FROM THIS GROUP OF AUTOMOTIVE ACCOUNTS AT THE 1.1% LINE LEVEL. IT IS NOT RELEVANT TO THE GENERAL FUND BUT, AGAIN, IT ONLY ACCOUNTS FOR 2/3 OF THE TOTAL. THERE IS ANOTHER SIX MILLION ALMOST THAT GOES TO PRESERVE AND TRANSPORTATION. BUT WHAT WE REALLY ARE FORECASTING WHEN WE LOOK OUT TO 14/15 NEXT YEAR OR AT 13/14 THAT THE NUMBER WILL BE \$300,000 INCREASE IN AUTOMOTIVE SALES FROM THE NEW DEALERS COMING ON AND BY 14/15 THE OTHER NUMBER I CIRCLED THERE AND WE THINK IT WILL BE 800,000 AND AT FULL STEAM. WE DIDN'T TRY TO BE CONSERVATIVE HERE. ON THE OTHER HAND WE, I GUESS WE WERE MINDFUL OF THE OLD SAYING FROM ALAN GREENSPAN WHEN HE WAS THE TREASURE SECRETARY THAT WE NEVER GET INVOLVED IN ANY IRRATIONAL EXUBERANCE THERE, BEFORE THE DOT COM CRISIS. WE AT THE CITY ARE CERTAINLY PLEASED TO HAVE THESE DEALERS BUT WE HAVE TO BE REALISTIC ABOUT WHAT THEY ARE LIABLE TO CONTRIBUTE TO OUR REVENUES AND WE THINK THAT WE ARE PRETTY CONFIDENT THAT THIS IS A REALISTIC EXPECTATION ON A NET BASIS RECOGNIZING THAT NOT ALL DEALERSHIP SALES ARE TAXABLE. AND AT THIS POINT, THE NEW DEALERS COMING ON BY THE TIME THEY ARE FULL STEAM GOING AHEAD WOULD ACCOUNT FOR ALMOST 9 PERCENT INCREASE IN THE DEALERSHIP REVENUES. SO THAT'S THE AUTOMOTIVE NUMBERS THAT WE ARE NOW LOOKING AT.

THE OTHER THING THAT WE WERE ASKED TO LOOK AT IS SOME OF THE NUMBERS THAT COME OUT OF THE STATE FORECAST AND IN PARTICULAR, THIS IS A SLIDE WE HAD BEFORE BUT JUST TO REMIND YOU, ONE OF THE THINGS THAT WE DO USE AS A RESOURCE IN THIS FORECAST FOR THE ARIZONA ECONOMY IS THE ELLER COLLEGE OF MANAGEMENT STATISTICS. I'M EMBARRASSED TO SAY THAT PRIMARY USE WE MAKE OF THEM IS THAT WE ARE ANYWHERE CLOSE TO THEM, WE KNOW WE ARE TOO HIGH. AND THE RECAP OF THEIR NUMBERS, IF YOU LOOK AT THE ELLER'S SCHOOL OF FORECAST FOR THE PAST SEVERAL YEARS, 2010, 11, 12, 13, WHATEVER, IF YOU START WITH THE NUMBERS THAT AT THE EARLIEST TIME THEY PREDICTED IT, THEY INVARIABLY DECLINE OVER TIME AND THAT'S TRUE IN 2012 AND THAT IS TRUE IN 2013 AND TRUE IN 2011. THEY FOR WHATEVER REASON THEY HAVE AN UPWARD BIAS IN THEIR FORECASTING AND AS I SAID, WE KNOW IF WE ARE MATCHING THEM, WE ARE PROBABLY TOO HIGH. BECAUSE THEIRS WILL COME DOWN ONCE REALITY SETS IN. THE OTHER THING THAT MAKES THEM A FACTOR THAT WE HAVE TO ADJUST FOR IS THAT WE FORECAST IS THAT THEIR FORECAST IS FOR RETAIL SALES ONLY. AND YOU ALTHOUGH THERE IS A GREAT NUMBER OF THINGS THAT GO INTO OUR REVENUE FORECAST FOR SALES TAX OTHER THAN RETAIL SALES. WE HAVE CONSTRUCTION OR RENTAL FEES, SO THERE ARE THINGS OTHER THAN PURE RETAIL SALES. WHAT I SHOWED AT THE BOTTOM WAS THE RETAIL SALES FOR THE CITY OF SCOTTSDALE AND YOU CAN SEE THAT FOR 2014, THE NUMBERS ON THE LOWER RIGHT-HAND CORNER ARE RETAIL SALES IS FORECAST TO INCREASE FIVE PERCENT. AND SOME OF THE OTHER NONRETAIL CATEGORIES ARE FORECASTED AT A LOWER PERCENTAGE GIVING US THE BLENDED NUMBER THAT IS SEEMED LOW WHEN WE LOOKED AT IT BEFORE. AND NOW, I THINK, EXCUSE ME. I HAVE RAN OUT OF SLIDES.

[Time: 00:55:58]

Mayor Lane: EXCUSE ME MR. SMITH, YOU HAVE RUN OUT OF SLIDES I AM NOT SURE IF THAT IS A POINT FOR QUESTIONS BUT WE HAVE A QUESTION FROM COUNCIL.

Councilwoman Milhaven: THANK YOU, MAYOR. MR. SMITH, IF YOU CAN GO BACK TO THE PREVIOUS SLIDE, I NEED TO UNDERSTAND WHAT THIS IS SAYING. SO THE COLUMNS ARE THE YEAR AND IN 2010 THEY HAVE RETAIL SALES INCREASE OF 6.3?

David Smith: LET ME CALL YOUR ATTENTION TO THE YEAR FURTHER OUT AND I WILL CIRCLE IT HERE, 2012 AND WHAT WE ARE SAYING IS THAT TWO YEARS BEFORE THAT YEAR OCCURRED THEY WERE FORECASTING THE YEAR WOULD BE UP BY 8.2%. AND ONE YEAR CLOSER TO REALITY, THEY REDUCED THEIR FORECAST TO 6.3. ONE YEAR CLOSER OR A HALF YEAR CLOSER STILL THEY REDUCED IT TO SIX PERCENT AND THEN FINALLY THE ACTUAL NUMBER FOR THE YEAR WAS FIVE PERCENT. SO FOR WHATEVER REASON THAT ILLUSTRATES WHAT I HAVE TO SAY. THEY SEEM TO START OUT WITH A HIGH AND OPTIMISTIC NUMBER THAT AS REALITY COMES CLOSER AND CLOSER, IT COMES DOWN UNTIL FINALLY THE REAL NUMBER, WITH THE ASTERISK BESIDE IT IS FINALLY KNOWN.

Councilwoman Milhaven: SO IN OK OF 2012, THEY WERE FORECASTING A 2012 NUMBER.

David Smith: YES, THESE ARE CALENDAR YEAR NUMBERS.

Councilwoman Milhaven: THAT IS NOT MUCH OF A FORECAST. WE HAVE NINE MONTHS WORTH OF DATA AND YOU ARE FORECASTING IN THE THREE. THANK YOU.

David Smith: UH-HUH.

Mayor Lane: THANK YOU COUNCILWOMAN.

David Smith: UNLESS YOU HAVE QUESTIONS, THAT'S THE END OF THE PRESENTATION ON THE TENTATIVE BUDGET.

[Time: 00:57:56]

Mayor Lane: WE DON'T HAVE ANY PARTICULAR QUESTIONS AT THIS POINT IN TIME. MR. WORTH WHAT I'M GOING TO SUGGEST IS THAT WE HAVE A NUMBER OF CARDS WE WANT TO ADDRESS ANY NUMBER OF ITEMS WITHIN THE CONTEXT OF WHAT THE OTHER AREAS WILL BE DISCUSSING. I'M GOING TO GO AHEAD AND TAKE THE TESTIMONY FROM THE PUBLIC AT THIS POINT IN TIME. PRESUMABLY THERE WILL BE INFORMATION THAT WE WILL HAVE AS WE GO THROUGH EACH OF THE AREAS FOR CONSIDERATION. SO IF THAT IS ALL RIGHT WITH YOU, I'M GOING TO GO AHEAD AND HAVE THE PUBLIC TESTIMONY. AND THIS OF COURSE IS FOR ANYTHING IN ITEM 14. AND WE'LL START WITH NANCY CANNER, TO BE FOLLOW BY CHRIS SCHAFFNER.

[Time: 00:59:00]

Nancy Cantor: NANCY CANTOR, IT'S ALL ON RECORD YOU KNOW WHERE TO FIND ME. I'M HERE TONIGHT TO SUPPORT THE STEP PROGRAM FOR PUBLIC SAFETY POLICE OFFICERS. NOW THE HISTORY LESSON, I STARTED OUT WORKING WITH OUR POLICE DEPARTMENT BACK IN 1987. WHEN WE HAD TO

DEAL WITH A TOPLESS BAR THAT OPENED RIGHT WHERE THE MIDDLE SCHOOL BUS STOP WAS ON 87th AND MCDOWELL. MAYOR DRINKWATER DID A LOT OF WORK WITH US AND THE COMMUNITY. ONE OF THE THINGS WE DECIDED AT THAT TIME AS A COMMUNITY WAS THAT WE WANTED OUR POLICE OFFICERS TO BE WELL EDUCATED AND WELL TRAINED AND WANT TO WORK HERE. WE HAVE BEEN THROUGH TOUGH TIMES ECONOMICALLY IN THIS CITY BUT ONE OF THE THINGS I HEAR FROM THE OFFICERS THAT HAVE LEFT. AND I DON'T CARE WHAT ANYBODY SAYS WE HAVE A BIG PROBLEM WITH OFFICER TURNOVER, THEY WANTED TO STAY BUT THEY COULDN'T STAY BECAUSE THERE WASN'T COMPENSATION FOR WHAT THEY WERE DOING. THEY DO SOMETHING MORE THAN ANY EMPLOYEE DOES, THEY PUT THEIR LIFE ON THE LINE EVERY DAY. THERE NEEDS TO BE COMPENSATION AND RESPECT FOR THAT JOB. WHEN THE SCHOOL DISTRICT LOOKED AT THE STEP PROGRAM FOR THEIR TEACHERS, MAYOR DRINKWATER WAS LOOKING AT THE PROGRAM FOR OUR PUBLIC SAFETY OFFICERS. AT THAT TIME WE ONLY HAD THE PW BUT NOT FIRE. IT IS A SENSIBLE PROGRAM, A NO BRAINER; IT ALLOWS YOU TO DO THAT GOOD ADMINISTRATION. AND IT ALLOWS THEM TO COUNT ON AND KNOW THEY ARE RESPECTED FOR THE JOBS THEY DO. I REALLY SUPPORT THIS AND I HOPE THAT YOU WILL MAKE IT A REALITY TONIGHT.

Mayor Lane: THANK YOU, MS. CANTOR. MR. SCHAFFNER FOLLOWED BY CYNTHIA HILL.

[Time: 01:01:20]

Chris Schaffner: MEMBERS OF COUNCIL, GOOD EVENING. I CAME IN HERE TONIGHT AS WELL TO SPEAK ON BEHALF OF OUR POLICE OFFICERS MY NAME IS CHRIS SCHAFFNER, MY INFORMATION IS ON FILE. ONE OF THE THINGS THAT I HAVE DONE IN THE LAST YEARS, I DID ATTEND THE CITIZEN POLICE ACADEMY AS I KNOW MANY ON THE BENCH HAVE AS WELL. THAT WAS A GREAT EYE OPENER TO THE DIFFICULTIES OF WHAT IT MEANS TO BE A POLICE OFFICER. IT GOES BEYOND THE CLICHÉ' THAT THEY PUT THEIR LIVES ON THE LINE FOR US. THEIR JOB GOES SO MUCH DEEPER, IF YOU LEARN AND TAKE THE TIME TO LOOK AT THE BROAD SET OF SKILLS REQUIRED TO BE A POLICE OFFICER, THE SNAP JUDGMENTS THIS HE HAVE TO MAKE ON A ROUTINE BASIS AND THE FACT THAT LET'S FACE IT THAT SKILL SET IS UNIQUE, UNIQUE TO PUBLIC SAFETY AND NOT APPLICABLE TO A MATTER OF OTHER CIRCUMSTANCES, SOMEBODY THAT KNOWS WHEN TO PURSUE SOMEBODY DOWN AN ALLEY OR NOT, IT IS UNIQUE. SO WE ASK A LOT OF OUR POLICE OFFICERS, BROAD ECONOMIC ISSUES HAVE BEEN DIFFICULT FOR A NUMBER OF YEARS AND THAT HAS AFFECTED HOW WE COMPENSATE PUBLIC SAFETY AMONG OTHER THINGS. I THINK OUR OFFICERS HAVE BEEN UNDERSTANDING ABOUT THAT, AS THEY SHOULD BE. BUT AS THINGS BEGAN TO CHANGE AND THE ECONOMICS ARE IMPROVING, WE ARE SEEING NOT ONLY INCREASED COMPETITION FOR GOOD OFFICERS BUT ALSO INCREASE THE MONEY AS WELL. WE HAVE EVEN IN THIS YEAR LOOKED AT NEW SPENDING VENTURES THAT WE HAVEN'T CONSIDERED AND WITH IMPROVING ECONOMY, I THINK THAT IS JUSTIFIED BUT I THINK THE FIRST BUCKET WE OUGHT TO FILL IS PUBLIC SAFETY. WE HAVE A NEW PLAN COMING UP AND ENVISIONING PROCESS THAT WE WILL TALK ABOUT THAT LATER. EVERYBODY AGREES THAT PUBLIC SAFETY WAS PARAMOUNT ISSUE TO THE CITY OF SCOTTSDALE, TAKEN AS A GIVEN. SO MY HOPE IS THAT WE LOOK FORWARD TO IMPROVING BUDGET AS SMALL AS THEY ARE, AS AN OPPORTUNITY TO PUT OUR MONEY WHERE OUR MOUTH IS AND DEFEND OUR AGENTS THAT PUT SO MUCH ON THE LINE FOR US. THANK YOU VERY MUCH.

[Time: 01:03:56]

Mayor Lane: THANK YOU, MR. SCHAFFNER. CYNTHIA HILL FOLLOWED BY JIM HILL.

Police Officer of Scottsdale Association Executive Director Cynthia Hill: GOOD EVENING, MAYOR AND COUNCIL. I SEND YOU A LETTER EARLIER BUT I WOULD LIKE TO READ THE LETTER SO EVERYBODY CAN HEAR WHAT I WOULD LIKE TO SAY. I'M HERE THIS EVENING TO OFFER PERSONAL PERSPECTIVE ON THE IMPORTANCE OF MAKING PUBLIC SAFETY THE NUMBER ONE PRIORITY FOR SCOTTSDALE. SAYING IT IS A PRIORITY IS EASY, YOU CAN'T GO WRONG, CERTAINLY NOT THE CITIZENS THAT DESERVE PERSONAL ATTENTION IN SCOTTSDALE YET SOMEHOW WHEN IT COMES TO PUTTING A DOLLAR FIGURE ON KEEPING THE BEST AND BRIGHTEST AND MOST EXPERIENCED OFFICERS IN SCOTTSDALE THE STORY CHANGES, WHY IS IT SO HARD TO PUT YOUR MONEY WHERE YOUR MOUTH IS AND SHOW YOUR CITIZENS AND OFFICERS THAT YOU ACTUALLY MEAN IT WHEN YOU SAY THAT PUBLIC SAFETY IS A PRIORITY. I AM NOT A CITY EMPLOYEE BUT MY HUSBAND HAS DEVOTE THE 17 YEARS AS DEDICATED OFFICER AND, DETECTIVE TO SCOTTSDALE PD AND WE ARE TAXPAYERS AND HOMEOWNERS IN THE CITY OF SCOTTSDALE I HAVE BEEN MARRIED FOR OFFICER HILL 17 YEARS AND TO SAY I AM MORE THAN QUALIFIED TO TALK ABOUT THE SITUATION IS UNDERSTATEMENT AS EXECUTIVE DIRECTOR OF OUTREACH, I LIVE AND BREATHE THE POLICE LIFE EVERY DAY, THE MOST KNOWLEDGEABLE PERHAPS OF OUR POLICE OFFICERS AND WHAT THEIR PLANS ARE BECAUSE EVERYBODY TALKS TO ME. OFFICERS ARE OFTEN AFRAID TO SHARE THEIR THOUGHTS AND PLANS WITH HIGHER-UPS FOR FEAR THEY WILL GET IN TROUBLE OR NOT BE CONSIDERED FOR ADVANCEMENT OPPORTUNITY OR TRAINING OR IF THEY SAY THE WRONG THING OR MAKE WAVES. WHEN TALKING TO ME I'M NOT A THREAT SO I HEAR EVERYTHING. I HEAR THAT THESE OFFICERS CAN'T MAKE THEIR BILLS OR FEED THEIR FAMILIES OR ON FOOD STAMPS. I HEAR THEY ARE TRYING TO MEET ENDS MEET WITH AN AUTISTIC CHILD OR AUTOIMMUNE DISORDER OR CELL TRANSPLANTS OR HOW THEIR SPOUSE IS DYING OF CANCER. I HEAR EVERYTHING. IT IS EASY TO SIT THERE ABOVE EVERYBODY AND PUT BLINDERS ON THE REALITIES ON WHAT OUR OFFICERS FACE IF YOU DON'T SEE THEM EVERY DAY AND EASY TO LET THE ADMINISTRATOR DISTRACT YOU FROM THE REALITIES OF LIFE BECAUSE IT WILL COST THE CITY TOO MUCH MONEY. WHAT IS TOO MUCH MONEY? ISN'T TRAINING AN OFFICER FOR 12 TO 18 MONTHS AT ONE HUNDRED THOUSAND DOLLARS AND WATCHING THEM LEAVE FOR ANOTHER CITY TOO MUCH MONEY? WE HAVE OFFICERS WITH SEVEN YEARS OF TRAINING AND EXPERIENCE MAKING THE SAME AS A ROOKIE THAT IS JUST LEARNING WHERE TO PUT THEIR GUN AND A TASER ON THEIR BELT. AND IF YOU DON'T THINK THAT IS A MORALE KILLER, WELL THEN YOU ARE NOT IN TOUCH WITH REALITY. SEVEN YEARS OF HANDLING, CALL AFTER CALL OF DRUNKS AND DEAD BODIES AND SUICIDE, INJURIES AND DRUNK DRIVERS AND THEY LOOK AT ME AND SAY WOW, SEVEN YEARS OF THIS AND I COULD JUST BE LEARNING HOW TO PUT MY BELT ON AND COULD BE MAKING THE SAME AMOUNT OF MONEY. WAIT, YOU WANT ME TO TRAIN THEM, TRAIN THEM, HOW TO WRITE A REPORT, TRAIN THEM ON WHETHER I'M IN PHOENIX, SCOTTSDALE OR TEMPE DRIVING AROUND. AT WHAT POINT DO YOU SAY I NEED TO LOOK FOR A NEW CAREER, I NEED TO LOOK FOR ANOTHER PLACE TO GO.

Mayor Lane: THANK YOU. THANK YOU, MS. HILL. NEXT IS JIM HILL WHO HAS DONATED TIME BY FOLKS THAT ARE HERE; DAVID ALVARADO AND ERIC SHORTS AND KEITH CLANK AND GARY GETS AND BEE DAVIDSON AND CHRISTY DAVIDSON AND MATTHEW SABO AND JAMIE HANES AND JOSHUA HINDS. I THINK THAT MAY BE AS MANY AS TEN. I CAN GIVE YOU SIX MINUTES ON THIS.

[Time: 01:08:09]

Police Officer of Scottsdale Association President Jim Hill: GOOD EVENING MAYOR AND COUNCIL, I'M JILL HILL AND PRESIDENT OF THE POLICE OFFICERS ASSOCIATION OF SCOTTSDALE. MY ADDRESS IS ON FILE. I FIND IT IRONIC THAT I'M HERE ONCE AGAIN IN MAY FOR THE POLICE MEMORIAL WEEK ADDRESSING THE CITY COUNCIL ABOUT FAIR COMPENSATION FOR THE POLICE DEPARTMENT. THIS IS A WEEK WHERE WE HONOR THOSE THAT MAKE THE ULTIMATE SACRIFICE AND KEEPING THEIR PROMISES TO THE CITIZENS WHEN THEY HAVE PINNED ON THE BADGE AND STRAPPED ON THE GUN. AND INSTEAD WE ARE HERE TRYING TO GET FAIR COMPENSATION FOR WHAT WE DO. THERE IS NO OTHER JOB THAT TAKES THE TOLL THAT POLICE WORK MAKES, MIND, BODY AND SOUL. IT IS CRUSHING BUT WE DO IT BECAUSE IT HAS TO BE DONE AND IT IS A CALLING. BUT IT SHOULDN'T BE A CALLING THAT WE TAKE A VOW OF POVERTY. WE ARE HERE ASKING TO KEEP THE PROMISE YOU MADE IN JANUARY WHEN YOU PASSED THE 105% AND YOU WOULD TAKE THE NEXT STEP TO FIX PD PAY. WE ARE WAITING FOR THAT. TONIGHT YOU MAY HEAR FROM STAFF THAT THERE TRULY IS A RETENTION PROBLEM. IF SOMEBODY, I KNOW THERE MAY BE CHARTS AND GRAPHS TO TELL YOU THAT BUT WE LIVE IT AND WE KNOW EXACTLY WHAT IS GOING ON AND WE SEE WHAT IS COMING. IF YOU ARE TOLD THERE IS NOT A RETENTION ISSUE IT IS EITHER A LIE OR MYOPIC VIEW OF WHAT IS GOING ON. CHIEF RODBELL STOOD AND TOLD YOU ABOUT THE POLICE BUDGET AND SAID WE HAVE A RETENTION ISSUE. LATE LAST YEAR AND EARLY THIS YEAR, YOUR OPEN HR DEPARTMENT HONORING AGAINST THE 105, SAID WE DON'T HAVE TO DO THAT BECAUSE WE DON'T HAVE A RECRUITMENT PROBLEM WE HAVE A RETENTION PROBLEM. AND EMPLOYEE MEETINGS I WAS AT SAID YES, PD NEEDS TO HIRE. SO THEY COME BACK TONIGHT AND ARGUING AGAINST THEMSELVES SO I DON'T KNOW WHICH. ATTORNEYS ARE GREAT FOR SAYING WE ALIGN MANY AND REALIGN NOW.

LAST MONTH CHIEF WAS HERE AND SAID WE HAVE A RETENTION PROBLEM. WE HAVE SHOWN YOU THE NUMBERS THAT SHOW YOU WE HAVE A RETENTION PROBLEM. WE HAVE EIGHT VACANT PIPELINES VACANCIES, THOSE ARE SUPPOSED TO BE FILLED FOR EMERGENCIES. WE ARE MISSING 35 OPERATIONAL POLICE OFFICERS, BASED ON TRAINING AND INJURIES. AND WE HAVE EIGHT VACANCIES IN DISPATCH. IF YOU COUNT THOSE THAT ARE BEING FILLED BY A TRAINEE, WE ARE A THIRD LIGHT IN DISPATCH, WE HAVE RETENTION ISSUES. TO LOOK AT THAT AND NOT SEE THAT TREND AND NOT BE A VISIONARY AND SEE THAT IS MYOPIC LEADER, YOU NEED TO APPROPRIATE FOR THAT. THAT'S LIKE FALLING OUT OF A 50 STORY WINDOW AND YOU CAN THINK OF SO FAR SO GOOD, EVENTUALLY YOU WILL HIT THE GROUND AND IT WILL BE TOO LATE. THE NEXT SPEAKER YOU MAY HERE, EMPLOYEES ARE NOT LEAVING DEPARTMENTS, THE FACT IS THAT THEY ARE NOT STAYING HERE BUT THEY ARE GOING TO OTHER DEPARTMENTS, GOOD YEAR, STRIDE AND PEORIA AND GOING TO OTHER STATES TO GO TO LAW ENFORCEMENT BECAUSE THEY CAN'T MAKE IT HERE AND SOME GOING TO THE PRIVATE SECTOR BECAUSE IT PAYS BETTER. LATELY WE HAVE HAD CURRENT OFFICERS IN THE TESTING PHASE, TEMPE, MESA AND SURPRISE AND GILBERT LEADER SEE THIS AND PREPARE AND TRAIN FOR IT. NEXT YOU MAY HERE THAT OTHER DEPARTMENTS HAVE NOT GIVEN ANY PAY RAISES. WE KNOW THAT IS NOT TRUE BECAUSE WE HAVE DONE THE RESEARCH. WE HAVE CALLED THE DEPARTMENTS AND WE HAVE TALKED TO THEM. WE KNOW THAT THEY ARE GIVEN STEP INCREASES. AND THAT MAY BE SOMETHING THAT MAY BE CONFUSING PEOPLE. IN A POLICE WORLD A STEP INCREASE IS NOT CONSIDERED A PAY RAISE. STEP INCREASE IS YOUR NORMAL PROGRESSION THROUGH YOUR CAREER, EXPECTED AND THAT'S THE INDUSTRY STANDARD. AND RECENT YEARS, YOU HAVE GIVEN HR AND CITY STAFF DIRECTION. MANY TIMES, EVALUATE AND FIX THE P D PAY AND BEEN IGNORED MANY TIMES. WE HAVE TRIED TO WORK WITH THEM AND WE HAVE BEEN IGNORED TO TRY TO FIX THE PROBLEM. SO WHAT WE DID IS PUT TOGETHER OUR OWN COMPENSATION PLAN TO SHOW IT TO YOU AND TRY TO WRITE THIS BEFORE IT BECOMES TOO MUCH, THE PLAN IS SIMPLE TO PUT ALL PD IN THEIR PROPER

MERIT STEP AND TALKING ESTABLISHED PAY RANGE AND ALREADY IN PLACE BY THE CITY AND NOT CREATING ANYMORE GROUND OR REINVENTING THE WHEEL. WE ARE TALKING ABOUT WHERE THE BOTTOM IS NOW AND WHERE THE TOP IS NOW. WE JUST DIVIDED IT UP IN TO FIVE PERCENT INCREMENTS AND PUT PEOPLE IN THOSE PLACES WHERE THEY SHOULD BE HAD THERE NOT BE ANY PAY CUTS OR PAY FREEZES BECAUSE THAT IS WHAT THEY EARNED. AND IT BENEFITS THEM AND YOU WANT EVERYBODY LOCKED IN AT THAT TOP RATE BECAUSE IT IS TOO EXPENSIVE FOR THEM TO LEAVE, THEY BECOME DEVOTED SOLELY TO SCOTTSDALE BECAUSE THE BEST PAY IS HERE AND THEY WON'T BE ABLE TO START OVER AND MAKE THAT MONEY ELSE SOMEWHERE AND THAT IS BEST TO KEEP THAT EXPERIENCE AND KNOWLEDGE HERE. AND IN YEAR ONE BASICALLY WE MOVED ALL THE EMPLOYEES HALFWAY TO THEIR POINT OF WHERE THEY SHOULD BE AND IN YEAR TWO, EVERYBODY GETS MOVED TO THE NEXT POINT AND THAT IS VERY GOOD BASED ON WHO THEY ARE AND WHAT THEIR JOB DESCRIPTION IS AND WHAT THEIR PAY RANGE IS AND HOW LONG OF A SERVICE THEY HAVE BEEN HERE. AND ONCE THAT FRAMEWORK IS IN PLACE, ALL IT IS IS JUST FUND THAT YEARLY. YOU NEVER HAVE TO HEAR FROM US AND NO NEED TO GIVE KOLAS, THE FRAMEWORK IS IN PLACE AND STEP INCREASES ARE INCURRED IF YOU DO YOUR JOB, IT IS BASED ON PERFORMANCE AND YOU GET THE NEXT YEAR'S STEP, NO, YOU DIDN'T DO YOUR JOB YOU DON'T GET IT - SIMPLE.

WE HAVE LOOKED AT IT AND MY PARTNER ETHAN DID A GREAT JOB CRUNCHING THE NUMBERS. HE WAS ABLE TO DEVICE HOW THE PLAN WOULD WORK AND SPLIT IT UP. IT COSTS THE SAME AMOUNT OF MONEY AND TALKING ABOUT 3.3 MILLION THIS YEAR AND 3.3 MILLION NEXT YEAR. AND, IF YOU TAKE THE 800,000 OF THE TWO PERCENT BUDGETED FOR THE PD, ALREADY IN THE CITY MANAGER'S PLAN, AND SUBTRACT THAT FROM THE 3.3 MILLION, WE ARE TALKING ABOUT 2.5 MILLION THAT CAN BE EASILY HANDLED IN THE UNRESERVED FUND BALANCE. ALTHOUGH I WOULD PREFER WHEN YOU BUDGET PUBLIC SAFETY WE ARE AT THE TOP OF THE LIST AND NOT AT THE OF THE YEARS LOOKING FOR THE MONEY. SO WHEN CLOSING WHEN YOU ASK CITIZENS IN SCOTTSDALE WHERE DO THEY EXPECT THEIR POLICE DEPARTMENT EMPLOYEES TO BE PAID? YOU WILL HEAR WE ARE NUMBER ONE. THEY ARE ALWAYS SHOCKED TO HEAR THAT WE ARE NOT AND FAR BEHIND THAT, WHEN YOU COMPARE APPLES TO APPLES AND WHEN SOMEBODY GOT HIRED IN THE ACADEMY AND SOMEBODY WITH A POLICE DEPARTMENT, THEY ARE THOUSANDS BEHIND THEIR CLASSMATES AND THAT IS WHY PEOPLE LEAVE. PEOPLE WOULD LIKE TO STAY HERE BUT THEY NEED TO LEAVE SO PLEASE SHOW THE CITIZENS OF SCOTTSDALE THAT PUBLIC SAFETY IS YOUR NUMBER ONE PRIORITY. YOU NEED TO DO SOMETHING TO STOP THE PLEADING BEFORE IT BECOMES TERMINAL. THANK YOU.

[Time: 01:15:01]

Mayor Lane: THANK YOU, MR. HILL. THAT COMPLETES THE PUBLIC TESTIMONY ON ITEM 14. WE CAN GO FROM HERE AND MR. WORTH, IF YOU WOULD LIKE TO ENGAGE THE NEXT ITEM ON THAT. WE ARE GOING TO PICK UP WHERE WE LEFT OFF IN THE SERIES OF PRESENTATIONS AND MR. MURPHY WILL TALK ABOUT THE SCOTTSDALE CARE ISSUE.

Community Services Executive Director Bill Murphy: GOOD EVENING MAYOR AND CITY COUNCIL. LAST MONTH I APPEARED BEFORE YOU AND WE GAVE A PRESENTATION ABOUT COMMUNITY SERVICES. AND ONE OF THE ISSUES THAT WE TALKED ABOUT WAS DISCUSSED ABOUT THE CARE PROGRAM. SCOTTSDALE CARE PROGRAM, WE HAD A LOT OF APPLICATIONS FOR ARE A VERY SMALL AMOUNT OF MONEY. WE HAD \$140,000 THAT WAS AVAILABLE. IN THAT ALLOCATING PROCESS, THE SENIOR

DISABLE HOME DELIVERY MEALS WAS SOMETHING THAT WAS UNFUNDED AND I PLEDGED TO YOU THAT I WILL COME BACK TO HOW WE WOULD RESOLVE THAT AND I WILL WALK YOU THROUGH THIS.

CURRENTLY, RIGHT NOW, WE HAVE A CONTRACT THROUGH OUR COMMUNITY DEVELOPMENT BLOCK GRANT WITH TEMPE COMMUNITY ACTION AGENCY PROVIDING MEALS TO OUR SENIORS. THE BREAKDOWN OF OUR SENIORS POPULATION IS THAT WE HAVE NINETY PERCENT OF THOSE 60-YEARS AND OLDER THAT GET THESE MEALS AND PEOPLE WITH DISABILITIES ARE 10% AND ARE DELIVERED SOUTH OF MCDONALD. WE MET WITH THE TEMPE COMMUNITY ACTION AGENCY (TCAA) TRYING TO FIGURE OUT A WAY TO RESOLVE THIS AND SO WE BROKE DOWN WHAT THEIR ACTUAL COSTS ARE AND HOW MANY MEALS THEY ARE ACTUALLY DELIVERING, WE HAVE 118 SENIORS THAT ARE ACTUALLY PROVIDED MEALS IN THE CITY RIGHT NOW, IN THIS GENERAL AREA AND THAT ACCOUNTS FOR 39,365 MEALS. THE WAY THAT TEMPE COMMUNITY ACTION FIGURES THAT IS THAT EACH OF THE MEALS COST \$4.29 AND THAT IS THE INDIRECT COSTS FOR UTENSILS AND THE CASINGS IN WHICH THE MEALS ARE PREPARED. IT REPRESENTS 40% OF THAT NUMBER IS WHAT THE GRAND TOTAL OF WHAT THAT COSTS FOR A YEAR. AND SO THIS YEAR TO DO THIS MEAL FOR OUR 118 SENIORS IT WILL BE \$58,970 AND THAT IS A NUMBER WE HAVE WORKED OUT BASED ON WHAT WE ARE DOING RIGHT NOW. THERE ARE OTHER AGENCIES THAT HELP CONTRIBUTE TO THE MEALS PROGRAM AND THAT IS THE AGENCY ON AGING WHO ALSO HELP TO DISTINGUISH WHO THOSE INDIVIDUALS ARE THAT QUALIFY FOR THOSE MEALS ALONG WITH TCAA'S FUND THAT THEY RECEIVE. TO RESOLVE THE ISSUE THAT WE HAVE, WE WILL GO TO THE INDUSTRIAL DEVELOPMENT AUTHORITY TOMORROW TO GIVE A PRESENTATION ON BEHALF AS A GRANT FOR TCAA FOR NEXT YEAR, FOR \$33,970. WE WERE VERY GRATEFUL TO RECEIVE FROM ONE OF THE SENIORS IN OUR COMMUNITY A DONATION OF \$25,000 AFTER OUR CITY COUNCIL MEETING THIS LAST MONTH. THIS RESIDENT WAS A PERSON THAT ACTUALLY DELIVERED THE MEALS AND WAS VERY FAMILIAR WITH THE PROGRAM AND SO WE HAVE RECEIVED HIS DONATION AND ASSURED HIM THAT THIS WILL GO DIRECTLY TO THIS PROGRAM. AND SO WHAT THE IMPACT WOULD BE THAT WE WOULD NOT HAVE TO AFFECT THE SCOTTSDALE CARES ALLOCATION AND HOW IT IS SET RIGHT NOW, IT HAS BEEN PRESENTED TO YOU OR WILL BE PRESENTED TO YOU LATER THIS MONTH. BUT THERE WILL BE NO IMPACT TO THE GENERAL FUND DOLLARS AS WELL. SO THIS WILL BE A ONE TIME ARRANGEMENT THAT WE WILL DEAL WITH TEMPE COMMUNITY ACTION. OUR PLAN IS IN COMMUNITY SERVICES IS TO ACTUALLY DEVELOP AN RFP FOR PROBABLY A TWO-YEAR PERIOD. ESTABLISH THAT PRIOR TO OUR ALLOCATION PROCESS THAT WE CONVENE WITH THE HUMAN SERVICES COMMISSION AND ALSO WE WOULD KNOW WHAT THAT ANSWER IS PRIOR TO ANY OF THE NONPROFITS THAT WOULD APPLY NEXT YEAR FOR OUR PROGRAMS FOR THE YEAR 14-15 AND THIS WAY WE WOULD ASSURE OURSELVES THAT WHICH WE VALUE AND THE COMMISSION VALUES AS WELL THAT THIS IS A PRIORITY FOR THE COMMUNITY TO ADDRESS. THIS IS OUR PLAN OF ACTION TO MOVE FORWARD. AND THAT CONCLUDES MY UPDATE.

[Time: 01:19:39]

Mayor Lane: THANK YOU, BILL. JUST ONE QUESTION THAT I HAVE GOT AND THAT IS HOW IS THE ORIGINAL AMOUNT, WAS IT 70 OR 75,000, HOW WAS THAT CALCULATED ON THE FRONT END VERSUS WHAT WE HAVE HERE NOW?

Bill Murphy: MAYOR AND CITY COUNCIL WHEN WE MET WITH TCAA THEY WERE IN THE SAME PROCESS DEVELOPING A BUDGET. WHEN IT BEGINS THEY ARE GIVEN AN ESTIMATE AND GIVEN AN ESTIMATE BASED ON THEIR PROJECTIONS WHICH COULD CHANGE THROUGHOUT THE YEAR. SOME

SENIORS COULD REQUIRE MEALS SEVEN DAYS A WEEK AND SOME FIVE AND SOME COULD HAVE SUPPORT FROM THEIR FAMILIES AND THOSE NUMBERS WILL CHANGE. AND SO WE REALLY SCRUB DOWN THE DISCUSSION ABOUT WHERE HAVE YOU BEEN THE LAST THREE OR FOUR YEARS AND WHAT ARE THE ACTUAL SENIORS THAT WE CAN IDENTIFY IN THE SCOTTSDALE ZIP CODE. THAT IS THEIR BEST GUESS.

Mayor Lane: COUNCILMEMBER MILHAVEN.

Councilwoman Milhaven: THANK YOU, MAYOR. THE CITY WILL ISSUE AN RFP FOR MEALS ON WHEELS SO IT SOUND TO ME AND I WANT TO GET YOUR PERSPECTIVE ON THIS, THAT WE HAVE GONE FROM A CITIZEN FUNDED SCOTTSDALE CARES ENTERTAINING GRANT REQUESTS TO THE CITY ACTIVELY MANAGING PROVIDING SENIOR MEALS?

Bill Murphy: MAYOR LANE AND COUNCILWOMAN MILHAVEN, MAYBE I CAN CLARIFY THIS BETTER. WE INTEND TO HAVE THE PROCESS WORK ITS WAY LIKE IT IS NOW FOR THE HUMAN SERVICES COMMISSION. THIS WOULD BE SIMPLY THAT WE HAVE DIFFERENT SORTS OF FUNDING SOURCES AVAILABLE TO US THROUGH CDBG GENERAL FUND DOLLARS OR SCOTTSDALE CARES SO WE WILL JUST STARTED TO IDENTIFY FOR THE COMMISSION THAT THIS IS AN ISSUE PRIOR ON OUR PRIORITY LIST AND GET IT IN THERE, AS A FUNDING PROCESS WHEN WE RANK THINGS FROM ONE THROUGH 25 OR WHATEVER THE NUMBER MAY BE, THIS DESIGNATION WILL ALREADY BE IN THERE THAT IT IS ALREADY ALLOCATED AND EVERYONE WHO IS APPLYING FOR ANY OF THE GRANTS NEXT YEAR WILL KNOW THAT WE HAVE ALREADY SET ASIDE ROUGHLY \$60,000 IN THOSE GRANT FUNDS. AGAIN IT WILL BE GRANT FUNDED AND NOT BE GENERAL FUND DOLLARS WE HOPE.

Councilwoman Milhaven: SO WHAT YOU ARE SUGGESTING IS BASED UPON YOUR RESPONSE TO OUR LAST CONVERSATION HERE, IS THAT, LET ME GO BACK A BIT. DO I THINK FEEDING SHUT-IN ELDERLY IS IMPORTANT? ABSOLUTELY, I AM NOT SAYING THIS IS NOT WORTHWHILE CAUSE BUT THERE IS SO MANY OTHER WORTHWHILE THINGS AND TO SAY THAT THIS IS A PRIORITY IN A VACUUM WITHOUT CONSIDERING THE OTHER OPTIONS WOULD BE AIR RESPONSIBLE ON OUR PART. SECOND IF IT IS A CITIZEN FUND AND CITIZENS ARE ALLOCATING WHERE THE MONEY GOES, I'M NOT EVEN COMFORTABLE SAYING WE SHOULD SAY WHAT THE PRIORITY IS, WE SHOULD LET THE CITIZENS DECIDE THAT. I AM GLAD TO SEE THAT THEY MAY GET THEIR MONEY THIS YEAR BUT UNCOMFORTABLE ABOUT SETTING PRECEDENT ABOUT COUNCIL DIRECTING SCOTTSDALE CARE'S MONEY. THANK YOU.

Mayor Lane: THANK YOU. COUNCILMAN LITTLEFIELD.

[Time: 01:23:10]

Councilman Littlefield: I THINK THIS IS A VERY CREATIVE AND APPROPRIATE SOLUTION. WE GOT A LOT OF E-MAILS FROM THE FOLKS ON THE COMMISSION THAT MADE THE SCOTTSDALE CARE ALLOCATIONS AND TALKING ABOUT HOW THEY WERE FACED WITH LIMITED FUNDS AND MAKING THOSE DECISIONS AND ASKING US QUITE APPROPRIATELY NOT TO DISTURB THEIR DECISION ON THAT. AND SO YOU FOUND THE MONEY SOMEWHERE ELSE AND I THINK THAT IS FINE. I THINK THAT IS A GREAT SOLUTION AND IT IS EXACTLY THE WAY IT OUGHT TO WORK TO PRESERVE OUR PIECE OF THE PROGRAM WITHOUT DISTURBING THE ALLOCATIONS THAT THE COMMISSION MADE. GOOD FOR YOU.

Mayor Lane: THANK YOU COUNCILMAN. COUNCILMEMBER KORTE.

Councilmember Korte: THANK YOU, MAYOR. I AM IN COMPLETE SUPPORT OF PROVIDING MEALS TO OUR SENIOR CITIZENS, THAT IS A LONG TIME COMMITMENT OF THIS COMMUNITY. I THINK IT IS SOMETHING WE NEED TO CONTINUE. HAVING SAID THAT, I AM NOT CONVINCED THAT REQUESTING A GRANT FROM THE IDA IS APPROPRIATE. I WOULD RATHER SEE A REQUEST TO THE IDA TO DEVELOP A MARKETING STRATEGIC PLAN TO INCREASE THIS BY OUR CITIZEN RATE SO WE CONTINUE TO GROW THE FUND FOR THIS PROGRAM AND MANY MORE IN THE FUTURE. I BELIEVE WE NEED TO SUPPORT THIS FUNDING BUT THIS \$33,970 COMES FROM THE UNRESERVED FUN BALANCE AND GO TO THE IDA WITH A MARKETING PLAN TO INVEST IN OUR SCOTTSDALE CARE INNOVATIVE PROGRAM AND BUILD THAT PROGRAM AND BUILD THAT FUND.

Mayor Lane: THANK YOU, COUNCILWOMAN. I WOULD LIKE TO SAY THAT I THINK THAT THIS IS A VERY GOOD APPROACH AND I APPRECIATE IT AND JUST AS COUNCILMAN LITTLEFIELD SAID, THE IDEA THAT WE ON A ONE- TIME BASIS, WE GOT THIS TAKEN CARE OF FROM OTHER SOURCES I THINK IS JUST EXACTLY WHAT WAS NOT ONLY NEEDED BUT ALSO ASKED FOR JUST AS WAS INDICATED AS FAR AS THE METHODOLOGY THAT WE EMPLOY AS A MATTER OF ROUTINE IN STAYING ON THAT SAME LINE. ONE THING I WOULD SAY IS THAT COUNCILWOMAN KORTE'S SUGGESTION THAT THE IDA MAY BE TAPPED FOR A MARKETING PLAN, I THINK IS NOT A BAD IDEA AT ALL. AND I THINK THAT HAS BEEN SOME OF THE HISTORY WITH SOME OF THOSE IDA FEE FUNDS ACCUMULATED THAT THEY HAVE BEEN USED TO PROMOTE THE CITY OR CITY FUNCTIONS OR ECONOMIC DEVELOPMENT AND A VARIETY OF THINGS THAT HAVE BEEN USED FOR THE PAST AND I THINK THAT IS ENTIRELY CONSISTENT WITH IT. I'M NOT SURE WHAT AVENUES WE WILL NEED TO GO THROUGH AS FAR AS THE PROMOTION OF SCOTTSDALE CARE IN ENHANCING THAT FUND'S ABILITY TO GENERATE MORE CONTRIBUTIONS BUT I THINK THAT MIGHT BE CERTAINLY AN AVENUE THAT WE CAN EMPLOY. I WOULD BE AN ADVOCATE OF THAT SUGGESTION. COUNCILMAN ROBBINS.

Councilman Robbins: THANK YOU. BILL, GOOD JOB. THE WAY YOU HAVE APPROACHED IT IS GREAT AND APPROPRIATE. AND LOOKING BACKWARD BEFORE SCOTTSDALE CARE HOW WAS IT FUNDED?

Bill Murphy: MAYOR LANE, COUNCILMAN ROBBINS, THIS YEAR IT WAS FUNDED THROUGH THE CDBG BLOCK GRANT. WE HAD ADDITIONAL FUNDS THAT WERE AVAILABLE SO WE PUSHED APPLICANTS THAT HAD APPLIED FOR SCOTTSDALE FUND IN THE CDBG FUND BECAUSE OF THE SALES OF THE EXCESS DOLLARS BECAUSE OF THE SALES OF THE SENIOR CENTER A YEAR-AND-A-HALF AGO. THEY COULD APPLY, YOU HAVE THE CHOICE TO APPLY FOR CDBG FUND OR THE OTHER GRANT FUNDS, SCOTTSDALE WAS A COLLECTION TO GET A MAJORITY OF THE NONPROFITS THAT REQUEST FUNDING.

Councilman Robbins: SO THEN YEARS AGO BEFORE SCOTTSDALE CARE IT WAS ALL CDBG, ALL GRANT FUNDED

Bill Murphy: PRIMARILY THEIR FUNDING HAS COME THROUGH SCOTTSDALE CARES, MORE OF THE MAJORITY. AS I INDICATED SCOTTSDALE CARES FUND HAS GONE FROM \$240,000 DOWN TO THIS YEAR'S ALLOCATION WHICH WAS \$140,000.

Councilman Robbins: SO, LOOKING FOR THE FUTURE, I WOULD SAY THAT I AGREE WITH THE SUGGESTION THAT THE IDA COULD BE TASKED WITH CONTRIBUTING TO A MARKETING CAMPAIGN AND SEE IF WE CAN BOLSTER THAT TO GET BACK TO WHERE WE WERE. THAT'S A GOOD IDEA AS WELL. THANK YOU.

Mayor Lane: THANK YOU COUNCILMAN VICE MAYOR KLAPP.

Vice Mayor Klapp: FIRST I WANT TO THANK THE GENTLEMAN THAT GAVE \$25,000. THAT IS TREMENDOUS FOR THIS PROGRAM. AND I UNDERSTAND THAT YOU TOLD ME HIS WAS 92 YEARS OLD.

Bill Murphy: CORRECT.

Vice Mayor Klapp: AND HAD BEEN INVOLVED IN THE PROGRAM SO I GUESS I NEED TO PUBLICLY SAY FOR ALL OF THOSE PEOPLE WATCHING AND LISTENING, YOU CAN GIVE MORE THAN A DOLLAR TO SCOTTSDALE CARES, YOU CAN GIVE TEN THOUSAND, \$25,000, WE'LL TAKE YOUR CHECK BUT TO DEAL WITH THE PROBLEM THIS YEAR, I APPRECIATE WHAT YOU ARE DOING. I BELIEVE THAT WE SHOULD DO BOTH. I THINK WE SHOULD ASK FOR THE GRANT FOR 33790 FROM THE ID A AND ASK FOR THEM TO PROVIDE SOME FUNDS IN THE FUTURE FOR A MARKETING PLAN. I KNOW THAT YOUR DEPARTMENT IS WORKING ON SOME IDEAS RELATED TO SCOTTSDALE CARE TO INCREASE FUNDING AND I HAVE TALKED TO PEOPLE IN YOUR STAFF ABOUT THIS AND I THINK THERE CAN BE OUTDOOR MARKETING HELP AND IT IS LOOKING AT HOW WE CAN CHANGE THE WAY THAT MONEY IS CONTRIBUTED THROUGH EITHER ONE LINE OR THROUGH THE UTILITY BILLS AND THERE IS A VARIETY OF WAYS TO ATTACH THIS BUT NEVERTHELESS I BELIEVE THAT WHAT WE HAVE DONE THIS YEAR IS APPROPRIATE. I APPRECIATE THE TIME AND EFFORT AND IT IS SIGNIFICANT THAT MEALS ON WHEELS WAS PUT ON THIS LIST BECAUSE OF THE PRIORITY AND ADDITIONAL FUNDS MADE AVAILABLE. I THINK THAT THE APPROPRIATE ONE FOR THIS PARTICULAR PROGRAM, IT IS ONE OF THOSE PROGRAMS THAT, THERE ARE THINGS THAT NICE TO HAVE AND THINGS THAT YOU HAVE TO HAVE AND HAVE TO FIND A WAY TO FEED PEOPLE THAT ARE HOME AND DO NOT HAVE ACCESS TO MEALS AND NEED TO HAVE HUMAN CONTACT. THIS PARTICULAR PROGRAM IS A PRIORITY AND I THINK WHAT YOU HAVE DONE IS APPROPRIATE.

Mayor Lane: THANK YOU VICE MAYOR, COUNCILMEMBER KORTE.

[Time: 01:30:29]

Councilmember Korte: THANK YOU MAYOR AND THANK YOU BILL FOR YOUR COMPASSION AND COMMITMENT TO THIS WORK, YOU PROVIDE GREAT LEADERSHIP AND I APPRECIATE THAT. SO I THINK WE NEED TO LOOK FURTHER IN THE FUTURE WITH CDBG GRANT MONEY, WE ALL BELIEVE THAT IS GOING TO CONTINUE TO DETERIORATE. WE KNOW THAT COMMUNITY DEVELOPMENT BLOCK GRANTS ARE ON THE CHOPPING BLOCK WITH THE FEDERAL GOVERNMENT. WE ALL KNOW THAT. AND WE NEED TO LOOK IN THE FUTURE AS A COMMUNITY, COMMITTED TO MANY SOCIAL SERVICES HOW A COMMUNITY WE WILL FUN THESE IN THE FUTURE AND HOW COMMITTED WE ARE AND HOW THAT FITS INTO OUR CHARACTER PLAN, OUR GENERAL PLAN. WHATEVER THAT IS, WHAT IS THE COMMITMENT TO SOCIAL SERVICES WITHIN THE COMMUNITY. AND I KNOW YOU ARE STRUGGLING TO LOOK AT THAT, SO THANK YOU, BILL.

Mayor Lane: THANK YOU, COUNCILMAN LITTLEFIELD.

Councilman Littlefield: I THINK THE THING MOST APPEALING ABOUT THE SOLUTION YOU HAVE COME UP WITH IS THAT IT DOESN'T COME OUT OF THE GENERAL FUND. IF WE START FUNDING MORE SOCIAL SERVICES OUT OF THE GENERAL FUND THAT WILL LEAD TO AN EXPANSION THAT WE KNOW DOUBT CAN'T AFFORD. NOW I'M FINE WITH STUDYING WHAT WE CAN DO. I THINK WE ALL KNOW WHY CONTRIBUTIONS ARE DOWN TO SCOTTSDALE CARES, SO I DON'T KNOW THAT THERE IS MUCH TO STUDY THERE. IF YOU WANT TO FIGURE OUT A WAY TO TRY TO CRANK THAT BACK UP AGAIN OR THAT'S FINE. BUT ONE OF THE THINGS I LIKED ABOUT THE SOLUTION WAS THAT THE FACT THAT YOU DIDN'T MAKE THE EASY WAY AND JUST SAY WELL, WE'LL JUST GO AHEAD AND TAKE IT OUT OF THE GENERAL FUND BECAUSE THAT WOULD HAVE BEEN A MISTAKE AND THAT WOULD HAVE BEEN FINANCIALLY IRRESPONSIBLE. SO ONCE AGAIN BESIDES THE OBVIOUS FACT OF THAT WHOEVER THAT GUY WAS THAT GAVE \$25,000. MANY THANKS TO HIM, IS THAT YOU CAME UP WITH A CREATIVE SOLUTION AND THAT'S WHY I LIKE IT AND THAT'S WHY I'M SUPPORTIVE OF IT.

Mayor Lane: THANK YOU COUNCILMAN, NO FURTHER QUESTIONS, THANK FOR THE PRESENTATION AND YOUR WORK IN THE AREA.

[Time: 01:33:12]

Dan Worth: MAYOR AND COUNCIL THE NEXT ITEM IS THE ISSUE REGARDING THE COURTS, IF YOU REMEMBER DURING THE DIVISION PRESENTATION, JUDGE OKA VAL CAME AND GAVE A COMPELLING PRESENTATION ABOUT THE IMPACT OF SIX POSITIONS THAT WE ARE CURRENTLY FUNDING OUT OF THE COPY ENHANCEMENT FUND THAT HAD ORIGINALLY BEEN FUNDED OUT OF THE GENERAL FUND. THIS WAS A COST SAVINGS MEASURE SEVERAL YEARS AGO TO REDUCE THE IMPACT ON THE GENERAL FUND BEGAN TO TRANSITION IT BACK TO THE GENERAL FUND SO THE COURT ENHANCEMENT STOPS DOING WHAT YOU SEE ON THE LEFT-HAND SIDE OF THE GRAPH, FROM 09 WE SHOW A BALANCE OF \$1.6 MILLION IN THE COURT ENHANCEMENT FUND. THE IMPACT TO THOSE COURT ENHANCEMENT FUND IS BEEN DECREASING, THE DIRECTION FROM APRIL WAS TO BE TO NOT MOVE THE FIRST TWO POSITIONS BACK TO THE GENERAL FUND IN 2013-2014 BUT TO MOVE IT BACK. THE GRAY LINE ON THIS CHART IS SIMPLY THE DO NOTHING LINE. IF WE CONTINUE TO FUND THESE POSITIONS OUT OF THE COURT ENHANCEMENT FUND, WE CONTINUE TO COMPLETE THE BALANCE OF THE FUND AND NEGATE THE POSSIBILITY OF USING THAT FOR CAPITAL IMPROVEMENTS OR WHAT IT WAS INTENDED FOR. THE GREEN LINE AS YOU CAN SEE IT IS DEVIATING FROM THE GRAY LINE. AND IF WE GO TO 2013 AND 2014 AND TRANSFORM TWO POSITIONS, THE TWO POSITIONS THAT JUDGE ASKED US TO DO IN 2014-2015, IT SLOWS THE DECLINE IN THE FUNDS. THE ORANGE LINE THEN SHOWS WHAT WOULD HAPPEN IF THOSE TWO POSITIONS WERE THE ONLY TWO THAT TRANSFERRED. THE GREEN LINE IS WHAT WE ARE PREDICTING, TWO MORE IN 16, AND TWO MORE IN 17 AND THAT ESTABLISHES THE UPPER TREND AFTER THE SECOND TWO POSITIONS. WHEN YOU MOVE ALL SIX POSITIONS INTO THE GENERAL FUND, THE COURT ENHANCEMENT FUND STARTS TO GROW AGAIN BACK TO A LEVEL WHERE WE CAN ADDRESS SOME OF THE SECURITY ISSUES AND THE CAPITAL IMPROVEMENTS AND OTHER SERVICE ISSUES THAT WAS ORIGINALLY INTENDED FOR. I DON'T BELIEVE IT REQUIRES ANY KIND OF A DECISION, THE DECISION YOU MADE WAS LAST TIME AND TO DEFER THE FIRST TWO POSITIONS UNTIL FISCAL YEAR 2013, 2015 AND WE WILL COME BACK WITH YOU NEXT YEAR WITH A PROPOSED BUDGET THAT WE CAN HOPEFULLY RECOMMEND DOING THE FIRST STEP OF FOLLOWING THAT GREEN LINE AND

PUTTING THE FIRST TWO POSITIONS, THE MOST EXPENSIVE OF THE POSITIONS BACK IN THE GENERAL FUND.

Mayor Lane: THANK YOU, MR. WORTH FOR THAT ILLUSTRATION. I WOULD JUST SAY THAT TO ONE OF THE THINGS THAT WE WERE TRYING TO ESTABLISH HERE WAS TO BE ABLE TO CREATE A NET REVENUE STREAM ON THE BASIS OF THE FUNDS THAT ARE ACHIEVED ON AN ANNUAL BASIS TO BE ABLE TO FUND SOME OF THE CAPITAL IMPROVEMENTS THAT WERE SUGGESTED ORIGINALLY. THANK VERY MUCH FOR THAT ILLUSTRATION. WE DO HAVE A COMMENT OR A QUESTION FROM COUNCILMAN ROBBINS.

Councilman Robbins: THANKS, MAYOR. DID THE JUDGE SAY THERE IS EIGHT POSITIONS IN THERE RIGHT NOW? WE ARE GOING TO LEAVE TWO SECURITY POSITIONS STILL IN THERE? IS THAT CORRECT?

Dan Worth: MAYOR COUNCILMAN ROBBINS, THAT'S CORRECT. HE RECOMMENDED TRANSITIONING THE SIX, THERE WAS SOME POSITIONS THAT HE FELT WERE APPROPRIATE FOR THE COURT FUND.

Councilman Robbins: GREAT, THANK YOU.

Mayor Lane: THANK YOU, MR. WORTH. THAT TAKES CARE THAT HAVE ISSUE.

[Time: 01:37:20]

Dan Worth: THE NEXT ISSUE I'M GOING TO ADDRESS IS, AS YOU HEARD EARLIER, ATTRITION, TURNOVER IN THE POLICE DEPARTMENT. I AM GOING TO PRESENT A SERIES OF CHARTS; MY INTENTION IS NOT TO TRY TO TELL YOU THAT THERE IS NO PROBLEM. I HOPE TO BE ABLE TO PROVIDE YOU SOME OBJECTIVE INFORMATION IN RESPONSE TO SOME VERY DIRECT QUESTIONS THAT WE GOT DURING THE DIVISIONAL PRESENTATIONS TO SHOW YOU SOME TRENDS OVER TIME, ATTRITION AND I'M GOING TO TRY TO GIVE YOU CONTEXT AND GIVE YOU CITYWIDE TURNOVER TRENDS OVER TIME AND TALK ABOUT SOME THINGS THAT CORRELATE OR DON'T CORRELATE WITH THOSE TRENDS. AND THEN I'M GOING TO TALK ABOUT FOR THE LAST THREE YEARS SWORN POLICE ATTRITION AND HOW IT COMPARES TO THE CITYWIDE ATTRITION. JUST TO GIVE YOU SOME CONTEXT. THE FIRST CHART, THE BARS SHOW TURNOVER AND PERCENTAGE BASIS, THIS IS CITYWIDE. THE DARK BLUE LINE SHOWS ALL NONRETIREMENT TURNOVER, VOLUNTARY DEPARTURES AND INVOLUNTARY DEPARTURES, THE GRAY PORTION SHOWS RETIREMENTS. YOU STACK THE TWO TOGETHER AND IT GIVES YOU AN OVERALL PERCENTAGE OF THE TOTAL WORK FORCE THAT LEFT DURING THAT FISCAL YEAR. THE ORANGE LINE IS ONE OF THOSE FACTORS THAT I WANTED TO SHOW YOU HOW IT CORRELATES OR NOT WITH OUR ATTRITION. THE ORANGE LINE IS INDICATOR OF THE ECONOMY, THE UNEMPLOYMENT RATE IN THE COUNTY. I THINK YOU CAN SEE SOME VERY DEFINITE INVERSE CORRELATIONS AS UNEMPLOYMENT GOES DOWN, THE ECONOMY IS GETTING BETTER TURNOVER GOES UP. AS THERE ARE JOBS OUT THERE FOR THE GENERAL WORK FORCE TO GO AFTER AND TO SEEK BETTER OPPORTUNITIES, THEY TAKE THEM. AS UNEMPLOYMENT GOES UP, THE ECONOMY IS TIGHT AND THE TURNOVER GOES DOWN.

YOU CAN SEE AGAIN AS THE EMPLOYMENT RATE DROPS THE ECONOMY GOES UP. IN THE LAST FOUR YEARS, WE SAW TURNOVER GO WAY DOWN. ONE EXCEPTION, THE TOTAL TURNOVER RATE IN 2009-TEN IS THAT THE EMPLOYMENT RATE IS GOING UP, WE HAD A NUMBER OF EMPLOYEES LEAVE AND TWO FACTORS CONTRIBUTED TO THAT AND WE INDUCE THE ONE HUNDRED TO LEAVE THROUGH

RETIREMENT AND THAT'S WHY THE GRAY PORTION OF THE BAR IS SO MUCH BIGGER IN 2009, 2010 THAN THE YEAR BEFORE IN FACT BIGGER THAN ANY OTHER YEARS. AND WE ALSO HAD INVOLUNTARY LAYOFFS WHICH CAUSED THE BLUE PORTION OF THE BAR TO GO UP HIGHER THAN OTHERWISE WOULD HAVE. THE NONRETIREMENT LAYOVER IN THE FIRST YEAR OF THE RECESSION DROPPED. THE ECONOMY COULDN'T ABSORB PEOPLE; PEOPLE WEREN'T LOOKING FOR OTHER EMPLOYMENT. THE BARS ARE THE SAME AND THE CITYWIDE TURNOVER RATE AND THIS TIME THE GREEN LINE IS WHAT WE DID AS FAR AS PAY. I'LL CAVEAT A COUPLE OF THINGS THAT DOESN'T HAVE MERIT PAY, PRIOR TO 2009/10 CONSISTED OF THE ABILITY OF MANY EMPLOYEES TO EARN UP TO NINE PERCENT IN TERMS OF EMPLOYMENT, NOT EVERYONE WAS ELIGIBLE. PEOPLE AT THE TOP OF THE PAY RANGE COULD NOT GET THAT. WE HAVE SHOWN THE LIVING ADJUSTMENTS, THOSE PAY ARRANGEMENTS THAT WERE PROVIDED TO ALL EMPLOYEES. IF YOU TRY TO CORRELATE THOSE TO THE TURNOVERS CAN YOU CAN SEE INTERESTING THINGS. YOU CAN SEE WHERE WE GAVE PAY INCREASES AND TURNOVERS AND STILL WENT UP. ONE NOTABLE PERIOD OF TIME THERE WAS A PAY INCREASE AND TURNOVER WENT DOWN BUT NOT ANYWHERE STRONG A CORRELATION AS WE SEE IN THE GENERAL ECONOMY AND LOOK AT THE AVAILABILITY OF JOBS OUTSIDE OF THE CITY. KIND OF MIXED RESULTS HERE.

NOW THE LAST CHART ON THIS TOPIC IS A COMPARISON, THE FIRST TWO CHARTS SHOW CITYWIDE ATTRITION, CITYWIDE TURNOVER. THIS COMPARES CITYWIDE TURNOVER AND THE GRAY BARS CORRELATE TO THOSE BAR ON THE PREVIOUS CHARTS. THE BLUE BARS IS SWORN POLICE. IN THE UPPER LEFT, TOTAL ATTRITION AND THE SUM OF THE OTHER THREE CHARTS, VOLUNTARY AND INVOLUNTARY ATTRITION. YOU CAN SEE THE VOLUNTARY ATTRITION THAT IS PARTIALLY A RESULT OF THE, IN 2009, 2010 OF THE LAYOFFS AND NUMBER OF EMPLOYEES SEPARATED INVOLUNTARILY. VOLUNTARY ATTRITION, YOU CAN SEE THAT FROM 2009, 2010, TO THE PRESENT, IT IS STEADILY INCREASING. AND AS THE ECONOMY GETS BETTER AND THERE IS MORE JOBS AVAILABLE. YOU CAN SEE THE POLICE VOLUNTARY TURNOVER IS INCREASING. I AM NOT GOING TO SAY THERE IS INCREASING ATTRITION, THERE IS. BUT IN THE CONTEXT, IT IS TRACKING OVERALL CITY ATTRITION. IT IS AT LEVELS BELOW OVERALL CITY ATTRITION AND AT A LEVEL THAT WE BELIEVE WE NEED TO WATCH BUT NOT AT A POINT WHERE IT IS CAUSING --I DON'T WANT TO BELITTLE IT, THERE IS ALWAYS ALARM FOR LOSING GOOD EMPLOYMENT CITYWIDE BUT IT IS NOT AT A POINT WHERE IT IS EXCEEDING AS COUNCILWOMAN KORTE POINTED OUT, IF YOU DO A MATHEMATICAL AVERAGE AND SEE HOW MANY PEOPLE LEAVE IN 20 YEAR CAREER, YOU WOULD EXPECT FIVE PERCENT. WE ARE GETTING EIGHT PERCENT INCLUDING RETIREMENTS THAT ARE WELL BELOW THAT FIVE PERCENT THRESHOLD IN THE POLICE DEPARTMENT. WITHOUT TRYING TO DIRECTLY CONTRADICT ANY OTHER ARGUMENT, I WANT TO PRESENT SOME CLEARLY OBJECTIVE DATA AND I DO HAVE ONE DIRECTION. IT IS PROBABLY SIGNIFICANT, I WANT TO MAKE DUE TO SOME MATH ERRORS PRESENTED IN THIS DATA. THIS NUMBER HERE, THE 2-POINT THE PERCENT FOR 11, 12 SWORN IS ACTUALLY HIGHER, 3.4%, THIS NUMBER HERE IS RIGHT AT FIVE PERCENT NUMBER THAT I JUST ALLUDED TO. IT IS AND I APOLOGIZE FOR THAT BUT THAT WAS SOMETHING THAT WE CAUSED AT THE LAST MINUTE AS WE WENT OVER THE SLIDES. THIS WAS IN RESPONSE TO QUESTIONS YOU HAD DURING A VISUAL PRESENTATION. THE FIRST SLIDE IN THIS SEQUENCE, I THINK WAS LABELED STRATEGIES TO ADDRESS POLICE ATTRITION AND THE STRATEGY THAT WE ARE PRESENTING IN THE STRATEGY THAT IS RECOMMENDED IN THE PROPOSED BUDGET WHICH IS THE TWO PERCENT ALLOCATION TO THE POLICE CHIEF TO USE WITH SOME FLEXIBILITY TO ADDRESS THE PERFORMANCE AND THE ISSUES AS HE SEES FIT. IT IS THE SECOND PART OF THIS STRATEGY THAT WE PRESENTED FOR THE TOTAL CITYWIDE WORK FORCE IN JANUARY WHEN YOU APPROVED FIVE PERCENT ADJUSTMENT A AND IF YOU HAVE ANY OTHER QUESTIONS ABOUT THE

DATA OR OTHER INFORMATION YOU WOULD LIKE TO SEE, I CAN ANSWER QUESTIONS AND I HAVE GOT CHIEF RODBELL HERE TO ADDRESS ANY OF THE SPECIFICS THAT I HAVEN'T SHOWN.

[Time: 01:45:46]

Mayor Lane: WE HAVE QUESTIONS FROM COUNCILMAN LITTLEFIELD.

Councilman Littlefield: YOU ARE NOT PROPOSING ANY CHANGES TO THE BUDGET THAT HAVE ALREADY BEEN PROPOSED AT THE LAST MEETING TO DEAL WITH POLICE RETENTION AND RECRUITMENT?

Dan Worth: MAYOR, COUNCILMAN LITTLEFIELD THAT IS CORRECT. THE PROPOSED BUDGET WAS INTENDED TO ADDRESS THE ATTRITION RATE BOTH WITHIN THE POLICE FORCE AND CITYWIDE AS WE UNDERSTOOD IT AT THAT POINT IN TIME.

Councilman Littlefield: WELL, I WOULD HAVE TO SAY I DISAGREE WITH YOU AND I WILL TELL YOU WHAT I DON'T LIKE ABOUT THE ANALYSIS. YOU CAN'T LOOK AT THE POLICE DEPARTMENT THE SAME WAY THAT YOU LOOK AT THE SAME WAY AS THE CITY. ALL RIGHT? THE POLICE DEPARTMENT WHEN WE GO FOR NEW RECRUITS, WE WILL TAKE ONE PERCENT OF THE PEOPLE THAT APPLY. IT TAKES A NEW YEAR TO GET A COP AND ONE HUNDRED THOUSAND DOLLARS. IF WE REPLACE A PARK WORKER OR ACCOUNTANT, WE DON'T HAVE TO TAKE A YEAR. THE OTHER THINGS IS THAT IN MOST OTHER CITIES THEY PAY THE POLICE ON A DIFFERENT PLAN. WE DON'T DO THAT HERE. HERE THE POLICE ARE IN THE SAME PAY PLAN ROUGHLY AS EVERYBODY ELSE. SO I REJECT YOUR ANALYSIS JUST BECAUSE YOU ARE TRYING TO DO APPLES AND ORANGES. NOW WE HAVE ARGUED BACK AND FORTH ABOUT THIS AND THAT'S WHY THE LAST TIME WE HAD THIS WHEN CHIEF COCCA WAS UP HERE MAKING THE PRESENTATION, I ASKED HIM FLAT OUT THE QUESTION, DO WE HAVE A POLICE RETENTION PROBLEM? YES OR NO? AND HE SAID YES. AND THEN HE WENT ON ABOUT WE HAD A DISPATCHER RETENTION PROBLEM. THE IDEA THAT WE ARE NOT GOING TO DO ANYTHING, THAT WE ARE NOT GOING TO MAKE ANY CHANGES, THIS, YOU KNOW, TO SAY THAT POLICE ATTRITION IS TRACKING THE REST OF THE CITY, THAT'S APPLES AND ORANGES, WE NEED TO DO SOMETHING. I WOULD PROPOSE AND TAKE THE IDEA WE TAKE THE STEP PROGRAM THAT FOLKS AT POSA PUT TOGETHER. WHY DO I DO THAT? SIMPLE. FOR TWO YEARS WE HAVE BEEN UP HERE ON THIS COUNCIL AND HAVE DIRECTED STAFF OVER AND OVER AGAIN TO COME UP WITH A PLAN TO DEAL WITH THIS. AND SORRY, GUYS, YOU HAVEN'T COME UP WITH ANYTHING. SO QUITE FRANKLY, I SAID TO THE COPS, I SAID IF YOU ARE NOT GOING TO GET A PLAN TO DEAL WITH THIS OUT OF THE STAFF, YOU COME UP WITH SOMETHING. SO I'M NOT PARTICULARLY HAPPY ABOUT THAT BUT IF THAT'S WHAT IT TAKES, THEN THAT'S WHAT WE NEED TO DO.

Mayor Lane: THANK YOU, COUNCILMAN LITTLEFIELD AND COUNCILWOMAN MILHAVEN.

Councilman Milhaven: THANK YOU, MAYOR. YES, PUBLIC SAFETY IS IMPORTANT AND, YES, OUR COMMUNITY DESERVES A WORLD-CLASS FIRST CLASS POLICE DEPARTMENT IN PUBLIC SAFETY. BUT I ALSO THINK THAT OUR CITIZENS DESERVE THAT WE MAKE PRUDENT DECISIONS BASED ON GOOD INFORMATION. IN SHORT, WHAT THE POLICE ARE ASKING FOR IS A GUARANTEE OF A FIVE PERCENT INCREASE EVERY YEAR. IN THE WORLD I COME FROM AND LIVE IN, THAT DOESN'T HAPPEN. BUT I'M WILLING TO TRY TO LOOK THROUGH A DIFFERENT LENS AND SAY PUBLIC SAFETY IS DIFFERENT. BUT TO DO THAT I NEED BETTER INFORMATION THAN WE'VE BEEN PROVIDED. I HEAR THE STORIES AND SEE

THE DETAILS FROM THE POLICE THAT SAY A FIVE-YEAR OFFICER HERE IS DIFFERENT FROM A FIVE-YEAR OFFICER THERE. I NEED MORE DEAL BECAUSE THE GOAL IS TO BE FAIR AND JUST. IF WE ARE NOT BEING FAIR, WE NEED THE DETAILS AND WE NEED TO FIX IT. IF WE ARE FAIR AND JUST AND COMPARABLE WITH OTHER CITIES, WE NEED TO HAVE THE DETAILS THAT WILL HELP US ACCEPT THAT AND MOVE ON. AND NOT BE MAKING ACCUSATIONS ABOUT PEOPLE THAT DON'T CARE BECAUSE WE CARE, WE JUST WANT TO MAKE THE RIGHT DECISION FOR EVERYBODY. SO IN THE LAST COUPLE OF DAYS, I DECIDED TO SEE WHAT INFORMATION I COULD FIND FOR MYSELF AND HAVE READ MOU'S THAT POLICE DEPARTMENTS HAVE WITH OTHER CITIES AND READ BUDGET BOOKS ON SALARIES AND WHAT THEY COULD TELL ON WHAT THEY WERE DOING AND WHAT I LEARNED IS HOW LITTLE I REALLY UNDERSTAND ABOUT PUBLIC SAFETY COMPENSATION. AND I KNOW WHEN WE DID THIS A YEAR AGO, WE TALKED ABOUT HOW PEOPLE MOVE THROUGH THE RANGE AND WITH SOME OF THE CHANGES IN LEADERSHIP AT CITY STAFF AND MAYBE THAT QUESTION WASN'T CLEAR BUT I DID IMAGINE THERE WOULD BE A SECOND STEP THAT SAID IF WE MOVED THE MINIMUM HERE, HOW DOES THAT IMPACT FOLKS ALONG THE WAY. WHAT I HEARD FROM THE CITY MANAGER IN THE TWO PERCENT FROM THE BUDGET THAT WILL WORK AND A SEMANTIC ISSUE OVER WHAT COMPRESSION MEANT, WHETHER OR NOT POSITIONS OVERLAP ONE ANOTHER VERSUS COMPRESSION THAT SAYS ONE YEAR EMPLOYEE MAY MAKE THE SAME AS SEVEN. IT'S TWO DIFFERENT ISSUES AND THERE MAY BE CONFUSION SO THE GOAL WAS TO LOOK AT INEQUITIES AND REGARDLESS OF WHETHER IT WAS TEN YEAR OR POSITION DIFFERENCES. I WOULD LIKE US TO GO BACK AND WHEN IT COMES AROUND TO A QUESTION FOR THE CITY MANAGER, I WANT TO MAKE ONE MORE POINT. AND WHILE POLICE IS IMPORTANT, EVERY SINGLE PERSON THAT WORKS FOR THE CITY IS IMPORTANT. IF THE TRASH WAS PILED UP ON THE STREET AND INFESTING OUR CITY THE CITIZENS WOULD SAY THAT'S THE UTMOST IMPORTANT THING. I HAVE THE UTMOST RESPECT THAT PUT THEMSELVES BETWEEN US AND DANGER BUT I KNOW THERE ARE OTHER EMPLOYEES THAT DO IMPORTANT THINGS SO I WANT TO MAKE SURE WE ARE FAIR AND EQUITABLE FOR EVERYBODY AND NOT JUST PUBLIC SAFETY. I WANT TO SAY THAT THERE IS TWO PERCENT IN THE BUDGET FOR INCREASES AND PUBLIC SAFETY DID GET INCREASES LAST YEAR. WHAT THEY ARE ASKING FOR IS ADDITIONAL MONEY SO THE QUESTION I HAVE, I GUESS FOR THE CITY MANAGER IS IF WE WERE TO GO BACK AND TAKE A DEEPER LOOK AT PUBLIC SAFETY AND SAY IN WHAT WAY IS PUBLIC SAFETY COMPENSATION PLANS DIFFERENT FROM OTHERS, HOW DOES THAT COMPARE TO OTHER CITIES AND WHAT THEY HAVE DONE SUCH THAT WE CAN MAKE A MORE INFORMED DECISION ABOUT WHAT KIND OF ADJUSTMENTS MAY NEED TO BE MADE AND HOW LONG WOULD IT TAKE TO GET THAT INFORMATION?

Dan Worth: MAYOR, COUNCILWOMAN MILHAVEN, WE HAVE BEEN TRYING TO GATHER THAT AND TAKE A LOOK AT WHAT OTHER VALLEY POLICE DEPARTMENTS ARE PROVIDING AS FAR AS OPPORTUNITIES TO STEP, TO USE THE TERM THAT YOU USED EARLIER THROUGH A PAY RANGE. IT IS A DIFFICULT TASK FOR SEVERAL REASONS. ONE BEING THAT SEVERAL MUNICIPALITIES ARE GOING THROUGH THE SAME PROCESS THAT WE ARE GOING THROUGH AND WE DON'T KNOW WHERE THEY WILL END UP BUT WE HAVE ACCUMULATED SOME DATA AND THE FAIRLY QUICK TO COMPILE THAT AND PRESENT THAT TO YOU IN A FORM WHERE WE CAN SHOW YOU WHAT IT MEANS IN TERMS OF AN AVERAGE ANNUAL INCREASE AS DIFFERENT DEPARTMENTS HAVE EMPLOYEES STEP THROUGH RANGES FOR THEIR PLANS.

Councilwoman Milhaven: WHAT I WOULD LIKE TO KNOW IS BROADER THAN THAT, HOW MUCH WERE THE CUTS THAT FOLKS TOOK. WHAT I SAW ON THE INTERNET AND I ONLY LOOKED AT THREE OTHER NEIGHBORING CITIES. THE CUTS THAT SCOTTSDALE STAFF TOOK WERE NOT AS DEEP AS OTHER CITIES.

IN THE CURRENT YEAR AND THE PLANNING YEAR, THAT MOST OF THE YEARS WERE RESTORING PREVIOUS CUTS THAT WE DID ALSO AND HOW MUCH WERE THE CUTS. WHEN WERE THEY TAKEN? AND THEN MR. HILL ALLUDED TO THIS, WE TALKED ABOUT STEPS AND HE SAID STEPS ARE NOT A PAY INCREASE. HOW MUCH MONEY SOMEBODY TAKES HOME I DON'T KNOW IF IT IS A STEP OR LONGEVITY OR COLA OR MERIT, TO ME WE ARE PAYING SOMEBODY MORE MONEY. I WOULD LIKE TO KNOW WHAT THEY CALL IT AND WHAT THEY BASE IT ON. I THINK SOME STEP PROGRAMS ARE BASED ON AS LONG AS WE DIDN'T FIRE YOU AND YOU ARE STILL AT FULL STANDARD YOU WILL GET YOUR MONEY AND OTHER STEP PROGRAMS ARE CERTAIN CERTIFICATIONS AND ACCOMPLISHMENTS AND EFFICIENCIES DEMONSTRATED BY CERTAIN STANDARDS, I WOULD LIKE TO SEE IF OTHERS HAVE STEP PROGRAMS, WHAT THAT STEP IS BASED ON AND I THINK THAT PRETTY WELL COVERS IT. WHAT I WOULD LIKE TO DO, BECAUSE I KNOW IT IS GOING TO TAKE YOU LONGER THAN TO PULL THIS TOGETHER THAN WE HAVE IN THE DISCUSSION OF THIS BUDGET, I WOULD LIKE TO HEAR FROM MY FELLOW COUNCILMEMBERS. I WOULD LIKE US TO CONSIDER POTENTIALLY EARMARKING SOME MONEY THAT SAYS IF, IN FACT, AT THE END, EARMARK IT AND PUT IT IN THE BUDGET WITH AN EARMARK TO SAY IT IS NOT SPENT WITHOUT COMING BACK TO COUNCIL TO SAY ONCE WE HAVE MORE INFORMATION ABOUT COMPENSATION, THAT WE WOULD HAVE THE MONEY AUTHORIZED IN THE BUDGET TO MAKE ANY CHANGES AS IS APPROPRIATE BASED ON THE RESEARCH DONE, I WOULD BE CURIOUS TO HEAR HOW MY COMRADES THINGS.

Mayor Lane: THANK YOU COUNCILWOMAN. COUNCILWOMAN KORTE.

[Time: 01:55:36]

COUNCILMEMBER KORTE: COUNCILWOMAN MILHAVEN ASKED A LOT OF THE QUESTIONS I HAD. WHAT WE NEED IS COMPARABLE DATA, NOT ONLY IN SALARY, WAGES PER TENURE, PER CLASSIFICATION, BUT WE ALSO NEED TO SEE IF IT IS COMPETITIVE. WHERE DO WE FIT IN THAT AS WE MOVE THROUGH THOSE SALARY INCREMENTAL WAGES? AND WE HAVE TALKED A LOT ABOUT RETENTION AND IS 4.3 OR 5% RETENTION OR VOLUNTARY ATTRITION, IS THAT HIGH FOR A POLICE DEPARTMENT. I DON'T KNOW, I DON'T THINK IT IS NECESSARILY. I DON'T THINK THAT YOU CAN EQUATE IT TO ATTRITION ACROSS OR CITYWIDE BUT IS 5% HIGH OR LOW AS COMPARED TO OTHER POLICE DEPARTMENTS? I COMPLETELY AGREE WITH COUNCILMAN LITTLEFIELD THAT WHEN WE TALK ABOUT THE VALUE OF OUR POLICE DEPARTMENT THAT THE REQUIREMENTS OF OUR POLICE IN THE JOB THAT THEY DO AND THE SERVICE THAT THEY PROVIDE TO THE CITY AND THE COST TO GET THOSE INDIVIDUALS UP TO SPEED TO PROVIDE THAT SERVICE FOR OUR CITY IS CRITICAL AND THAT HAS TO BE TAKEN INTO ACCOUNT. I SUPPORT COUNCILWOMAN MILHAVEN'S SUGGESTION THAT WE EARMARK DOLLARS GO BACK IN A SHORT AMOUNT OF TIME AND WHETHER THAT'S A MONTH OR WHATEVER THAT AMOUNT OF TIME IS TO PROVIDE THE NECESSARY DATA TO MAKE AN EDUCATED DECISION.

Mayor Lane: THANK YOU, COUNCILWOMAN. COUNCILMAN PHILLIPS?

Councilmember Phillips: THANK YOU, MAYOR. YOU KNOW, THERE WAS A COMMENT OF WE HAVE THE WORLD CLASS, FIRST CLASS POLICE DEPARTMENT, AND I BELIEVE THAT TOO. BUT I DON'T THINK WE HAVE THE WORLD CLASS FIRST CLASS POLICE DEPARTMENT PAY. AND I THINK THAT'S THE BIG PROBLEM. I AM IN FULL SUPPORT OF THIS DEBT PROGRAM. BACK IN JANUARY, WE ALL AGREED I THINK IT WAS UNANIMOUS OF 105%, BUT AS I REMEMBER, THAT WAS THE FIRST STEP OR AT LEAST IN MY MIND THAT WAS THE FIRST STEP. AND I WAS LOOKING FORWARD TO THE BUDGET THAT THE STEP

PROGRAM WOULD FALL INTO PLAY AND IT WOULD BE PART OF THE BUDGET. INSTEAD, LIKE MR. HILL SAID, IT IS THE LAST ON THE BUDGET. YOU KNOW, NOW THAT THE BUDGET IS ALMOST COMPLETED LET'S BRING IT UP NOW AND SEE WHERE IT IS OR MAYBE KICK THE CAN DOWN THE ROAD AGAIN. YOU KNOW, I DON'T --YOU CAN'T PUT A DOLLAR AMOUNT ON PUBLIC SAFETY. I'M SORRY. YOU CAN HAVE ALL THE DATA IN THE WORLD, CITIZENS WHO SUPPORT THIS AND SUPPORT THAT. NOTHING SUPPORTS THE IDEA AT 2:00 IN THE MORNING WHEN SOMEONE BREAKS INTO YOUR HOUSE, GOD PLEASE GET THAT POLICE HERE. THAT'S THE THING AND THE NUMBER ONE ISSUE AND WHAT WE HAVE TO TAKE CARE OF. I WAS FOR THE SEPARATE PAY PLAN, BUT WE DON'T HAVE THAT HERE. SO WE HAVE TO ADDRESS IT IN A DIFFERENT MANNER. I THINK THE STEP PROGRAM'S THE PERFECT WAY TO DO IT. THAT'S THE ONE I AM SUPPORTING.

Mayor Lane: THANK YOU, COUNCILMAN. YOU KNOW, THIS IS BECOME CERTAINLY AN ISSUE WE HAVE HAD TO DEAL WITH IN THE LAST YEARS PARTICULARLY THE YEARS WE TALK ABOUT WHAT WE SACRIFICE VERSUS WHAT IT IS THAT WE PRIORITIZE. AND YOU KNOW, WHETHER IT IS JUST A MATTER OF JUST SAYING SOMETHING TO SAY SOMETHING WITH REGARD TO THIS IS PRIORITIZED, THAT'S PRIORITIZED, EVERYBODY SHOULD BE IT IS TREATED ON AN EQUAL BASIS HOW WE START TO NOW CATEGORIZE VARIOUS JOBS WITHIN THE CITY TO SAY THAT WE NOW HAVE TO TREAT DIFFERENT FIELDS DIFFERENTLY ON THE BASIS OF THE ASSIGNED TASK. AND MAYBE THERE'S SOMETHING TO THAT, BUT IT IS ALL GENERALLY REFLECTED IN PAY ON THE OVERALL AND FRANKLY THE DESIRE TO DO THOSE JOBS, THE MARKETPLACE. AS FAR AS THE DISCUSSION ABOUT ATTRITION, I MEAN WE HAVE BEEN THROUGH THIS SO MANY TIMES AND THERE'S SO MANY DIFFERENT POINTS O EVER SCREW PROJECTIONS AS TO WHAT WE ANTICIPATE, WHEN THE MARKET GETS BETTER AND WHAT KIND OF POSITION THAT WILL PUT US IN. THAT IS A VERY DIFFICULT CAN GAME FOR US TO PLAY. RIGHT NOW, I GUESS, WHEN WE TALK ABOUT WHETHER OR NOT THERE'S A DIFFERENT COMPENSATION PROGRAM FOR LAW ENFORCEMENT SPECIFICALLY AS WE HAVE BEEN TALKING HERE, THERE MOST ASSUREDLY IS. WE HAVE A VERY DIFFERENT PROGRAM AS IT RELATES TO THE PENSION PLANS FOR OUR OFFICERS IN THE DURATION OF TIME THAT THEY HAVE TO BE ON THE JOB BEFORE THEY CAN BE ABLE TO BE QUALIFIED FOR FULL RETIREMENT. AND WHAT THAT COSTS THE TAXPAYERS. WHEN WE TALK ABOUT PUTTING OUR MONEY WHERE OUR MOUTH IS, WE ARE REALLY PUTTING OUR TAXPAYERS MONEY WHERE OUR MOUTH IS. THAT'S SOMETHING WE HAVE TO BE VERY CAREFUL ABOUT. AND THERE IS A VERY DIFFERENT STRUCTURE AND A VERY DIFFERENT FEEL FOR HOW THIS IS HANDLED. MY DIFFICULTY WITH THE STEP PROGRAM AND PART OF IT MIRRORS WHAT COUNCILWOMAN MILHAVEN SAID AND THAT IS THE FACT THAT THERE ARE A LOT OF WAYS TO DEFINE THAT AND A LOT OF DIFFERENT RATES TO PUT IT AT. BUT ONE PROBLEM IS WE NEGOTIATE THIS KIND OF REALLY A LABOR SITUATION HERE FROM THE DICE IS TO DETERMINE WHAT IT DOES TO THE TAXPAYERS AND WHAT IT DOES TO OUR SYSTEM OF GOVERNING HERE, AND BUDGETING ON A ROUTINE BASIS. A NUMBER OF OTHER MUNICIPALITIES FOUND THEMSELVES IN A DIFFICULT POSITION BECAUSE OF THE AUTOMATIC NATURE OF THE STEP PROGRAM WHEN IT WAS IMPLEMENTED AND DOWNTURN. I SHOULD SAY WHEN IT WAS ACTIVATED AND AUTOMATIC IN A DOWNTURN. SO I HAVE A REAL CONCERN ABOUT THIS. THE OTHER AND A LITTLE MORE BASIC CONCERN IS WE ARE JUST TALKING A LITTLE WHILE AGO ABOUT TRADING OFF A HUNDRED THOUSAND DOLLARS HERE AND THERE. I DON'T KNOW WHERE THIS COMES FROM, WE CAN TALK ABOUT THIS MONEY LIKE IT IS SOME KIND OF UNSEEN SOURCE OF IT, BUT SOMETHING GENERALLY HAS TO BE SACRIFICED FOR WHAT WE HAVE TALKING ABOUT HERE, PARTICULARLY TO THE EXTENT THAT I THINK HAS BEEN PRESENTED.

[Time: 02:02:29]

NOW, IT IS SOMETHING I THINK IS WORTHY MAYBE OF SOME CONVERSATION, BUT NOT NECESSARILY TO BE NEGOTIATED HERE INTO THE BUDGET AND SUDDENLY WE SET UP A STEP PROGRAM WHICH HASN'T BEEN, HASN'T BEEN BROUGHT BEFORE US BY MANAGEMENT OR ANYONE ELSE, FRANKLY NOT OTHER THAN FROM A PODIUM HERE IN PUBLIC DISCUSSION ON IT. SO I THINK THIS IS PROBABLY NOT THE RIGHT TIME TO BE DOING IT AND I KNOW THROUGH THE DISCUSSIONS THAT LED UP TO BUDGET WE DID DECIDE ON A 2% ALLOCATION OF FUNDS BY DEPARTMENT FOR THOSE DEPARTMENTS TO DETERMINE WHERE TO BEST USE IT. I DON'T KNOW WHAT THE POLICE DEPARTMENT HOW MUCH THAT AMOUNTS TO, BUT FRANKLY THAT COULD BE A STEP AND FRANKLY THAT'S WHAT I HAVE UNDERSTOOD FROM THE CHIEF AND FROM OTHERS THAT I HAVE TALKED TO ON THIS, I THINK THAT IT DOES MOVE TOWARD THE DIRECTION, AT THEIR DISCUSSION AS TO HOW THEY USE THOSE FUNDS IN ORDER TO GET RID OF THIS COMPRESSION ISSUE WHERE WE DEVELOPED A PROBLEM BY SAYING 150% OF THE AVERAGE MINIMUM, AND NOW WE HAVE THE AVERAGE MINUTE UMS ALL BUMPING UP AGAINST PEOPLE WITHIN THE CATEGORY. SO WE WENT ONE DIRECTION WITH THE BEST INTENTIONS. I TALK ABOUT BEING THE FIRST STEP. THIS IS ACTUALLY THE FIRST TIME --ACTUALLY IT IS NOT THE FIRST TIME I HAVE HEARD IT, BUT I DID NOT HEAR THIS IN THE DISCUSSION WHEN WE TALKED TACT 105%. I WAS HEARING ABOUT THE 105% OF AVERAGE MINIMUM BECAUSE WE HAD A, A PROBLEM WITH ATTRACTING FOLKS TO US. SO WE CREATED ANOTHER PROBLEM WHEN WE DID IT, THE COMPRESSION ISSUE AND NOW WE ARE INTO WHAT IS ASSUMED TO BE THE NEXT STEP AND THE NEXT STEP HAPPENS TO HAVE THE SAME ACRONYM, THE STEP PROGRAM WHICH IS SOMEWHERE IN THE AREA OF # \$3 MILLION OR THEREABOUT DEPENDING ON THE PERHAPS IT IS IMPLEMENTED BUT AT THE LEAST FOR AN AVERAGE BASIS IF IT WERE PUT INTO EFFECT IT WOULD CONTINUE ON AUTOMATICALLY FOR THE FORESEEABLE FUTURE. SO I DON'T KNOW THAT THIS IS THE POINT IN TIME THAT WE SHOULD BE TRYING TO REMAKE THE BUDGET BUT NONETHELESS, IF THERE'S AN ATTRITION PROBLEM, I AM NOT SEEING IT. I THINK THE BASIC NUMBERS DON'T TELL US THAT. AND WHETHER WE WANT TO LOOK AT THIS ALL ANECDOTALLY OR NOT, FRANKLY YOU HAVE TO LOOK TO THE FACTS. AND THAT WE ARE PRESUMABLY HERE TO ASSESS THE FACTS AND TO BE AS GOOD OF A GUARDIAN AS WE CAN BE OF THE TAXPAYERS RESOURCES AND THE ALLOCATION THEREOF. AND CERTAINLY, WITH A LOT OF EMPHASIS ON HOW THIS CITY AND OPERATED AND RUN ON ALL LINES. AND PUBLIC SAFETY, DARE I SAY IT IS CERTAINLY A PRIORITY: IT IS AN IMPORTANT ISSUE FOR US. BUT WE CAN'T HAVE IT WITHOUT OTHER THINGS. I DON'T SUPPORT THE STEP PROGRAM AS IT HAS BEEN PROPOSED. FRANKLY IT IS WITHOUT ENOUGH INFORMATION TO DO IT. AS FAR AS SETTING ASIDE FUNDS, IF WE LOOK AT A STRUCTURAL BUDGET ISSUE, WE WOULD HAVE TO DETERMINE WHERE IT IS GOING TO COME FROM. I WOULD LIKE TO SEE A SHOW OF HANDS AS TO WHO'S WILLING TO GIVE UP \$3 MILLION OUT OF THEIR DEPARTMENT? I JUST DON'T KNOW THAT'S GOING TO HAPPEN. SO, THAT IS THE CRUX OF IT AS FAR AS I'M CONCERNED. I THINK COUNCILMAN LITTLEFIELD WOULD LIKE TO SPEAK AGAIN. WE JUST SHOULD HAVE MADE THAT ADJUSTMENT THEN, COUNCILMAN. COUNCILMAN ROBBINS THEN.

[Time: 02:06:07]

Councilman Robbins: A QUICK QUESTION FOR MR. WORTH. ONE OF THE STAFF POSITIONS WE ARE ADDING THIS YEAR IN THE BUDGET IS A SENIOR HUMAN RESOURCES ANALYST. WAS THAT NOT TO FURTHER THE DISCUSSION ABOUT COMPETITIVE PAY AND TO COMPLETE THE COMPENSATION STUDY AND I WILL GET INTO COMMENTS AFTER THIS. BUT WHEN WE ADDED IT 105% TO BE COMPETITIVE IN ENTRY LEVEL ATTRACTION POSITIONS WE WILL FURTHER THAT WITH COMPETITIVE PAY FOR ALL

DEPARTMENT, ALL JOBS OVER A THREE YEAR PERIOD TAKING A THIRD, A THIRD AND A THIRD. IS THAT WHAT THE PERSON WILL BE HIRED TO DO?

Dan Worth: MAYOR, THAT'S PRIMARILY ORIENTED ON THE COMPENSATION PROGRAM.

Councilman Robbins: OKAY. SO I GUESS MORE ME IT IS KIND OF A TWO-STEP PROCESS RIGHT NOW, AND THAT IS THE RETENTION ISSUE WHICH I AGREE IS THERE TO A DEGREE. YOU KNOW, I KNOW THERE'S SOME DEFINITELY COMPETING INTEREST AND COMPETING FACTS BEING GIVEN. BUT, I WOULD BE OPEN TO ADDING SOME MONEY THIS YEAR, PART OF OUR 2% INCREASE THIS YEAR IS ON GOING MONEY TAGGED TO PEOPLE'S COMPENSATION AND PART OF IT IS ONE TIME MERIT PAY INCREASES THAT'S MOSTLY UP TO THE DEPARTMENT HEADS. SO, THAT PORTION OF THE MONEY, THE MONEY THAT WE ARE ESSENTIALLY GIVING TO THE CHIEF TO SAY YOU HAVE DONE A GOOD JOB, HERE IS A BONUS KIND OF THING, I WOULD BE WILLING TO ADD TO THAT HE CAN USE TO DEAL WITH THIS YEAR'S RETENTION ISSUES SO THAT WE CAN KIND OF NIP IT IN BUD NOW AND SAY WE HAVE SOME MONEY, ADDITIONAL MONEY DEDICATED TO THAT TO START THE PROCESS AND THEN THE SECOND PRONG OF THAT APPROACH WOULD BE TO DIRECT THE CITY MANAGER WITH THIS NEW STAFF PERSON TO PUT TOGETHER A COMPETITIVE COMPENSATION PLAN. BECAUSE LAST YEAR, THE 105% WAS ATTRACTION AND THIS YEAR, IT IS GOING TO BE THE RETENTION SIDE OF THAT. AND MAYBE THAT GOT LOST IN THE TRANSLATION AFTER LAST YEAR, BUT THAT WAS MY INTENTION. AND WE ARE STAFFING THAT UP TO DO THAT. SO I THINK, YOU KNOW, THE POLICE DO A UNIQUE JOB AND WE COMPETE AGAINST OTHER CITIES FOR THAT UNIQUE POSITION, THAT YOU ANEMIC PERSON. SO WE HAVE TO MEASURE THAT. WE HAVE TO HAVE ENOUGH INFORMATION AND I GIVE A LOT OF CREDIT TO THE MEMBERS WHO CAME AND SPOKE AND PUT TOGETHER THEIR OWN PLAN. I APPRECIATE THAT VERY MUCH BECAUSE THAT IS A GOOD STARTING POINT TO WHERE WE CAN DETERMINE WHETHER THAT IS WORKABLE FOR THE CITY AND WHETHER THAT IS APPROPRIATE IN CONTEXT OF THE WHOLE BUDGET. SO THAT IS WHY I WOULD ASK MY COUNCIL COLLEAGUES TO JOIN ME IN ASKING THE CITY MANAGER TO DO THAT TO MAKE THAT PART OF HOW WE PAY IN THE FUTURE AND TO MAKE REASONABLE RATIONAL DECISION BASED UPON THE FACTS AS OTHERS HAVE MENTIONED. I WOULD APPROACH IT THAT WAY IN THOSE TWO MANNERS.

Mayor Lane: THANK YOU, COUNCILMAN. IF YOU WERE ASKING FOR THAT, I WOULD SAY THAT WOULD SEEM LIKE A REASONABLE APPROACH IF YOU ARE TALKING ABOUT ONE-TIME MONEYS FOR BONUSES TO TAKE CARE OF A PERCEIVED SITUATION AND GIVE SOME LATITUDE TO THE POLICE DEPARTMENT AND POLICE CHIEF TO DO THAT. I WOULD CERTAINLY JOIN YOU IN THAT. COUNCILMAN LITTLEFIELD.

[Time: 02:09:42]

Councilman Littlefield: THE MAYOR MENTIONED AND HE IS CORRECT WE ARE SPENDING TAXPAYER MONEY HERE: BUT I WOULD SAY THE TAXPAYERS OF SCOTTSDALE HAVE MADE IT CLEAR OVER AND OVER AGAIN, CERTAINLY THE 11 YEARS I HAVE BEEN HERE THAT THE NUMBER ONE THING THEY WANT US TO SPEND TAXPAYER MONEY ON IS KEEPING THEM SAFE. NOW, I CAN'T BELIEVE WHAT I AM HEARING TONIGHT, AND SOME OF WHAT IS HAPPENING HERE. DO WE HAVE RETENTION PROBLEMS? WE ASKED THE POLICE STRAIGHT OUT, DO WE OR NOT? YES. THE ANSWER WAS YES. THAT'S THE ONE THING THAT BOTH THE POLICE DEPARTMENT BRANCH AND THE POLICE ASSOCIATION AGREE ON. NOW, THIS IS NOT QUANTUM PHYSICS. FOR TWO YEARS WE HAVE BEEN TALKING ABOUT THIS. WHAT SO HARD ABOUT FIGURING OUT WHETHER OR NOT WE HAVE RETENTION PROBLEM OR NOT? WELL,

WE ALREADY KNOW THE ANSWER IS YES AND THE IDEA THAT WE NEED TO STUDY THIS FURTHER. PEOPLE MUST WATCH THIS AT HOME AND THINK WE ARE IDIOTS. HOW MUCH FARTHER DO YOU HAVE TO STUDY IT? THE ANSWER IS YES, WE HAVE RETENTION PROBLEMS. FOR TWO YEARS WE HAVE BEEN UP HERE TALKING ABOUT WHETHER OR NOT WE ARE GOING TO FIX THAT. I AM SORRY BUT YOU GUYS HAVE NEVER GIVEN US A PLAN. THAT'S WHY I ASKED THE COPS FOR A PLAN BECAUSE I HAVE TO GET IT FROM SOMEWHERE. IF YOU ARE NOT GOING TO DO IT, LET'S FACE IT THE IDEA THAT WE ARE GOING TO STUDY THIS SOME MORE. HOW BIZARRE IS THAT? IF WE DON'T DO SOMETHING TONIGHT, THE NEW BUDGET YEAR STARTS IN LESS THAN TWO MONTHS. IF WE DON'T DO SOMETHING SPECIFIC TONIGHT NOTHING IS GOING TO HAPPEN NEXT YEAR. WE WILL LOSE MORE POLICE AND HAVE TO PAY. THIS IS NOT A QUESTION OF WHETHER WE LOVE THE COPS MORE THAN THE SOLID WASTE PEOPLE. IT IS A QUESTION OF THE COLD HARD FACT AT THAT IT TAKES MORE MONEY AND TIME TO REPLACE A COP. WE DON'T REJECT 99% OF THE APPLICANTS FOR BOOKKEEPERS OR FOR PARK WORKERS OR FOR SOLID WASTE. IT DOESN'T TAKE A YEAR TO BRING ON A NEW BOOKKEEPER OR A NEW PARK WORKER OR A NEW SOLID WASTE GUY. IT DOESN'T TAKE A HUNDRED THOUSAND DOLLARS IN TRAINING TO BRING ON A NEW BOOKKEEPER OR A NEW PARK WORKER OR A NEW SOLID WASTE GUY. THOSE ARE JUST FACTS. IT HAS NOTHING TO DO WITH WHETHER WE LIKE IT OR NOT. IT IS NOTHING TO DO WITH WHETHER WE LIKE COPS OR NOT THAT'S JUST THE FACT. THE NUMBER ONE JOB OF THE CITY IS TO KEEP PEOPLE SAFE. THAT'S POLICE, FIRE AND COURTS. IF WE CAN'T SPEND MONEY TO MAKE THAT HAPPEN. WHAT IF WE CONTINUE TO LOSE PEOPLE, WE WILL END UP SPENDING MORE MONEY IN THE LONG RUN. SO, YOU KNOW, YOU GUYS HAVEN'T COME UP WITH A SOLUTION. THERE'S A SOLUTION ON THE TABLE AND I WILL MAKE A MOTION TO DIRECT STAFF TO ADOPT THE STEP PROGRAM AND INCORPORATE THAT INTO THE NEXT BUDGET.

Councilman Phillips: SECOND.

Mayor Lane: MOTION HAS BEEN MADE AND SECONDED TO ADOPT THE STEP PROGRAM, HOWEVER THAT MAY BE DEFINED. COUNCILMAN PHILLIP, WOULD YOU LIKE TO SPEAK TOWARD IT.

Councilman Phillips: YES, AND CHIEF RODBELL, ARE YOU OKAY TO COME TO THE PODIUM HERE?

Mayor Lane: IF YOU WANT TO ASK HIM TO, YES. IF YOU HAVE A QUESTION, I WOULD.

Police Chief Alan Rodbell: YES, SIR.

Councilman Phillips: CHIEF, I HAVEN'T HEARD YOUR OPINION THROUGHOUT THIS ENTIRE BUDGET PROCESS, AND I WOULD LIKE TO HEAR WHAT YOU HAVE TO SAY ABOUT THIS AND ALSO COUNCILMAN, ROBBINS SUGGESTION.

[Time: 02:13:36]

Chief Rodbell: MEMBERS OF THE COUNCIL, COUNCILMAN PHILLIPS, YOU KNOW, WHEN YOU TALK ABOUT ATTRITION AND RETENTION, IT IS A MULTIFACETED ISSUE. IT IS NOT A SIMPLE YES OR NO. A NUMBER OF THINGS TAKE PLACE THAT ARE TRENDING THAT ARE CONCERNING AND I LOOK TO SOME SOLUTION TO THOSE ISSUES. WE ARE SEEING SOME THINGS IN TERMS OF LOSS, YOU KNOW PROVIDE SOME CHARTS. THAT CAN BE PUT UP ON THE SCREEN, SIMILAR TO THE PREVIOUS CHART. AS WE TRACK OUR RETENTION ISSUE, WE WILL SEE THAT IT HAS TRACKED UP. AS YOU CAN SEE WE PROJECT

UP THIS YEAR JUST BY USING DATA THAT WE CAN SEE AS MANY AS 35 POSITIONS THIS YEAR OVER END WHICH IS MUCH HIGHER THAN THE LAST COUPLE L OF YEARS. IT IS TRUE THAT WHEN YOU LOOK AT THE ECONOMY, WHEN THERE ARE NO JOBS AVAILABLE, PEOPLE DON'T LEAVE. SO IT IS TRUE THAT OUR ATTRITION SLOWED DOWN FOR SOME YEAR, BUT IT DOESN'T MAKE IT ANY LESS CONCERNING. SOME OF THE THING THAT IS WE ARE SEEING THAT CONCERN US. WE SEE 1% OF THE APPLICANTS CAPABLE OF BEING HIRED AS SCOTTSDALE POLICE OFFICERS. WE HAD TESTS FOR 800 PEOPLE WHO SHOWED UP. WE GOT 8 APPLICANTS AT THAT WE HIRED. WE HAD A TEST FOR 700. IT HAS BEEN 7. IT HAS BEEN CONSISTENT. WE JUST HAD TESTS APPLIED AND WE WILL SEE TEN. WE CONTINUE TO TRACK THAT, BUT WE ALSO SEE TRENDS IN THE ACADEMY THAT HAVE US CONCERNED.

MANY YEARS AGO WE WERE LOSING 40% OF THE ACADEMY STUDENTS DURING THE COURSE OF THE ACADEMY. WE WERE LOSING THEM EARLY ON TO PHYSICAL FITNESS. SO WE ADJUSTED THE WAY WE TRAIN POLICE OFFICERS TO HAVE A PRE-ACADEMY WHERE WE HIRED THEM EARLY AND GOT THEM PREPARED FOR ACADEMY SO THEY WENT MANY WE WOULD HAVE SOME SUCCESS. AT THAT TIME, WE ACTUALLY SAW 100% SUCCESS. WE WENT FROM 40% LOSS TO 100% SUCCESS JUST BY CHANGING THE WAY WE GOT PEOPLE INTO THE ACADEMY. BUT RECENTLY WE ARE STARTING TO SEE 27% LOSS EVEN AT THE ACADEMY FOR ANY NUMBER OF REASONS, PHYSICAL FITNESS, EVEN INTEGRITY. BUT WE ARE SEEING CANDIDATES FAILING. AS WE TALK ABOUT RETENTION, WE ARE TALKING ABOUT MAKING SURE WE CAN FILL THE VACANCIES FOR THOSE WHO JUST LEAVE FOR EVERYDAY REASONS WHETHER IT IS RETIREMENT OR OTHERWISE. SO WE DO HAVE SOME CONCERNS ABOUT HOW THINGS ARE TRENDING FOR US. ONE OF THE THINGS THAT CONCERNS ME GREATLY IS A NEW TREND WE HAVE NEVER SEEN BEFORE. IN THE TEN YEARS I HAVE BEEN YOUR CHIEF, WE LOST ONE INDIVIDUAL TO ANOTHER VALLEY AGENCY. AND AS A RESULT OF THAT LOSS, THAT PERSON ACTUALLY TRIED TO COME BACK, BUT THE REASONS WHY THEY LEFT HADN'T CHANGED SO WE ENCOURAGED THEM TO STAY ON THE WEST SIDE. IT WAS A PERSONAL REASON, BUT IT HADN'T CHANGED. TODAY I KNOW 17 APPLICATIONS WHERE SOMEWHERE WITHIN THE VALLEY IN THE POLICE OFFICERS, WITH AN AVERAGE TENURE OF LESS THAN 7 YEARS, 6.9 YEARS IS THE TENURE OF THE OFFICERS LEAVING. THAT GREATLY CONCERNS ME. THEY MAY NOT GET HIRED OR BE SELECTED. OF THE 17 APPLICATIONS I KNOW THAT ARE OUT, 12 OF THEM MAY BE UNIQUE. THERE MAY BE FIVE BECAUSE OF SOME PROCESSES OCCURRING, THE 12 ARE PROBABLY UNIQUE BASED ON THE TIME. WE HAVE NEVER EXPERIENCED THAT IN SCOTTSDALE. I CAN'T TELL YOU WHO THEY ARE. I CAN'T TELL YOU WHY THEY'RE LEAVING. I CAN'T TELL YOU WHAT THE CHANCES ARE OF LEAVING. WE LOST ONE TO GOOD YEAR ALREADY. BUT THAT TREND HAS ME GREATLY CONCERNED.

I WILL SHARE WITH YOU NUMBERS I SPEAK TO THE ISSUE OF PAY RANGES WITHIN THE VALLEY, A MARVELOUS THING. WE WENT FROM THE BOTTOM OF THE LIST OF AGENCIES TO NUMBER TWO IN THE VALLEY, AND THAT MADE US EXTREMELY COMPETITIVE AS A POLICE DEPARTMENT. I AM SORRY; THIS IS NOT LEGIBLE, READABLE FOR YOU ALL. BUT IT IS A GREAT THING. I WILL TELL YOU YEARS AGO, MANY YEARS AGO, WE WERE 14% BELOW MARKET. GENE WAS ON THE COUNCIL, SUPPORTED PAY RAISES THAT MADE UP FROM 14% BELOW THE MARKET TO THE TOP OF THE MARKET. AFTER THAT, WHEN THE ECONOMY GOT BAD, FOR FOUR YEARS WITHOUT PAY RAISES AND WITHOUT STEPS AND WITH TAKE-AWAY'S, WE WENT FROM 14% BELOW THE MARKET TO THE TOP OF THE MARKET BACK TO AND 13.8% BELOW THE MARKET AGAIN. ONE COUNCILMEMBER ASKED ME HOW WE LET THAT HAPPEN. THAT HAPPENED BECAUSE WHILE WE TOOK AWAY STAFF PAY RAISES AND TOOK AWAY PAY; OTHER AGENCIES WERE EITHER HONORING STEP, GRANTING PAY RAISES, OR HONORING CONTRACTS.

SO WHAT THIS CHARGE SHOWS YOU IS THAT TODAY FOR AN OFFICER OF STARTING SALARY, WE ARE NUMBER TWO IN THE VALLEY. BUT TODAY FOR AN --WE ARE NUMBER SEVEN IN OUR VALLEY.

WE SLIPPED TO 8 AND 7 YEARS ON, WE SLIPPED TO 10. WE GAINED SOME GROUND IN YEAR TEN WE WERE BACK TO 9th AGAIN. BUT THIS IS WHO E WITH ARE COMPETING AGAIN. AN OFFICERS LEAVE AT THE AVERAGE OF 6.9 YEARS OF SERVICE THEY'RE GOING TO M SO PLACE ELSE THAT IS PAYING AT THAT LEVEL. THIS IS THE PROBLEM, THIS. THIS IS WHY WE HAVE TO GET AHEAD OF IT.

WHETHER YOU ACCEPT THE POSA PLAN STEPS OR WHETHER YOU BRING THE STEP PROGRAM BACK, OFFICERS ARE IN A RANGE. IF YOU MAKE NO WAY OR THERE'S NO PR PROCESS. THEY HAVE TO EARN THEIR WAY THROUGH THE RANGE, EMPLOYEES. IF YOU MAKE NO WAY FOR THEM TO EARN THROUGH THE RANGE, ALL YOU DO IS FRUSTRATE THEM. WE HAVE THE TOP RANGE, BUT OFFICERS CAN'T GET THERE. SO ALL WE DO IS CREATE FRUSTRATION FOR THEM. WHEN THEY'RE FRUSTRATED THEY LOOK FOR ANOTHER PLACE TO GO. WE CAN GET AHEAD OF THIS OR SUFFER THE CONSEQUENCES.

A REPLACEMENT FOR FIRST YEAR IS NOT \$100,000. IT IS ABOUT 154 OR \$155,000 REPLACEMENT. THE FIRST YEAR REPLACE OFFICERS QUITE FRANKLY THEY'RE JUST IN TRAINING. THEY'RE OF NO VALUE TO US. THEY ADOPT PRODUCE ANYTHING, THEY'RE JUST IN TRAINING. SO IT TAKES A SECOND YEAR BEFORE THE OFFICERS REALLY VALUE US. SO, YOU SAW WHAT HAPPENED LAST YEAR. LAST YEAR I TESTIFIED THAT IF YOU CONTINUE TO HAVE SOME LOSS IN THE STAFFING, THEY'RE IN TRAINING, SOME SORT OF LIGHT LIMITED DUTY OR IN PIPELINE THAT TRANSLATES INTO OVERTIME COSTS. YOU WATCHED THE OVERTIME GO UP AS EMPLOYEES OR OFFICERS LEFT. THAT'S ALL PART OF THE HIDDEN COST OF DEALING WITH THE RETENTION ISSUE. SO, I DON'T KNOW IF THAT ANSWERS YOUR QUESTION, COUNCILMAN, BUT THERE'S A LOT OF ISSUES WHEN YOU TALK ABOUT RETENTION. IT IS NOT A SIMPLE YES OR NO ANSWER.

Councilmember Phillips: SO IS IT YOUR CONTENTION THEN THAT THE STEPS PROGRAM WILL ALLEVIATE THIS PROBLEM?

Chief Rodbell: IT IS ALWAYS BEEN MY CONTENTION THAT YOU CREATE RANGES AND A WAY TO GET THROUGH THEM, WHETHER YOU ACCEPT THE POSA PROGRAM WHICH IS AN ACCELERATED STEP PROGRAM OR CREATE A STEP PROGRAM, AS IT WAS FOUR YEARS AGO, AND AS IT IS IN MANY CITIES. I THINK THAT'S THE APPROPRIATE WAY TO MOVE OFFICERS TO THEIR RANGES. I DO AGREE 100% WITH COUNCIL THAT BELIEVES THAT IT HAS TO BE EARNED. IT IS NOT A GIVEN AND IT IS NOT ENTITLEMENT. EMPLOYEES HAVE TO DO THE WORK TO EARN THE RANGE.

Councilmember Phillips: THANK YOU.

[Time: 02:22:00]

Mayor Lane: THANK YOU, COUNCILMAN. CHIEF, WHILE YOU HAPPEN TO BE THERE YOU MENTIONED AS FAR AS THE PROPOSAL WAS REQUESTED FROM COUNCILMAN LITTLEFIELD, THAT DID NOT COME FROM YOUR DEPARTMENT THAT IS NOT SOMETHING YOU SUGGESTED. IT CAME FROM POLICE. DID IT SPECIFICALLY COME FROM THE UNION OR DID IT COME FROM THE POLICE DEPARTMENT.

Chief Rodbell: THE PROPOSAL THAT IS IN FRONT OF YOU THAT COUNCILMAN LITTLEFIELD HAS BROUGHT FORWARD FOR VOTE, IT WAS PRESENTED BY THE POLICE OFFICERS OF SCOTTSDALE ASSOCIATION NOT BY POLICE MANAGEMENT OR THE CITY MANAGER.

Mayor Lane: OKAY. SO FROM THAT SENSE, TO ANSWER PHILLIPS QUESTION, YOU ARE NOT NECESSARILY BEHIND THAT, THAT IT IS NOT COMING FROM YOUR DEPARTMENT? BUT YOU THINK IT MIGHT BE AN APPROPRIATE PROGRAM GIVEN IF IT IS EARNED RATHER THAN AUTOMATIC.

Chief Rodbell: MEMBERS OF COUNCIL, WHAT I AM SAYING IS I BELIEVE YOU NEED TO CREATE A RANGE WHETHER IT IS ACCELERATED OR A SIMPLE MOVEMENT THROUGH RANGES THAT IS YOUR DECISION, BUT THE PROPOSAL IN FRONT OF YOU RIGHT NOW IS NOT A POLICE DEPARTMENT PROPOSAL.

Mayor Lane: OKAY. SO THE IDEA OF WHAT WE HAVE ON THE TABLE WITH WHAT IT IS IN BUDGET RIGHT NOW, ALLOCATIONS FOR FUNDS FOR COMPENSATION OR MERIT OR OTHERWISE, COULD THAT NOT BE A MECHANISM TO MOVE THROUGH RANGES. IF YOU SO CHOSE IT TO BE?

Chief Rodbell: MAYOR, I WILL HAVE TO ASK FOR CLARIFICATION.

Mayor Lane: THE 2% THAT GOES TO EACH OF THE DEPARTMENTS ON THE BASIS OF THE TOTAL COMPENSATION OR PAYROLL. THAT MONEY CAN BE ALLOCATED ON THE BASIS IS OF WHATEVER WAY YOU WOULD WANT TO MANAGE IT. WOULD IT NOT BE MOVING IN THE RIGHT DIRECTION OF MOVING PEOPLE ON THE BASIS OF MERIT THROUGH THE RANGES JUST AS YOU JUST DESCRIBED.

Chief Rodbell: THE 2% PROPOSAL WILL MOVE PEOPLE THROUGH RANGE BUT I AM NOT COMFORTABLE THINKING THAT IT WOULD NOT KEEP US UP WITH OTHER CITY DEPARTMENTS AS THEY MOVE PEOPLE THROUGH THE RANGES AT THE 5% LEVEL. I THINK THERE WILL BE MORE SLIPPAGE PERSONALLY.

Mayor Lane: I'M SORRY, GIVE THAT TO ME AGAIN, CHIEF.

Chief Rodbell: THE 2% PROPOSAL WILL MOVE PEOPLE THROUGH THEIR RANGE BECAUSE ANYBODY THAT HAS 2% WITHIN THEIR RANGE WILL RECEIVE 2%. BUT I AM NOT SURE THAT IT WOULD KEEP US UP WITH OTHER CITY DEPARTMENTS GIVING PEOPLE 5% OF THE RANGE.

Mayor Lane: I UNDERSTAND. I AM JUST TALKING ABOUT FROM WHERE WE ARE, IN THE PAST WE HAVEN'T OPERATED WITH THIS KIND OF PROGRAM, BUT WE MOVE THROUGH THE RANGES AND ON THE BASIS OF COMPENSATION OR PERCENTAGE INCREASES THAT WERE ALLOCATED WHEN FUNDS WERE AVAILABLE. AS YOU JUST ILLUSTRATED WHEN CITY MANAGER DOLAN WAS HERE AND WE WERE IN THE HIGH TIMES AND GAVE A 6% PLUS A 5%. THAT HAD TO HAVE A SIGNIFICANT IMPACT IN MOVING PEOPLE THROUGH RANGES. THAT'S WHAT I AM SUGGESTING NOW, AS YOU SAID, YOU'RE IN AGREEMENT THAT A PROGRAM THAT MOVED PEOPLE THROUGH THE RANGES, THEY EARN IT. ISN'T THAT WITHIN YOUR PREROGATIVE TO ALLOCATE TO THOSE WHO HAVE EARNED IT TO MOVE THROUGH THE RANGES?

Chief Rodbell: YES, SIR. THAT'S TRUE.

Mayor Lane: IT IS JUST A MATTER TO THE EXTENT THAT THEY WOULD.

Chief Rodbell: YES, SIR.

Mayor Lane: IT IS A STEP IN THAT DIRECTION, NOT TO OVERUSE THAT TERM. THAT'S THE ONLY QUESTION I HAVE GOT. VICE MAYOR, DO YOU WANT TO SPEAK OR OFFER THE QUESTION?

[Time: 02:26:06]

Vice Mayor Klapp: I CAN SPEAK OR WE CAN VOTE. BUT I JUST HAVE POINTS TO MAKE HERE, JUST TO GIVE YOU SOME IDEA OF WHERE I AM LEARNING ON ALL OF THIS IS THAT I AGREE WE HAVE TO CONSIDER THAT POLICE OFFICERS ARE A DIFFERENT ANIMAL THAN THE REST OF THE PEOPLE WITHIN THE CITY PARTLY BECAUSE AS YOU HAVE MENTIONED HOW COSTLY IT IS TO REPLACE A POLICE OFFICER. WE HAVE TO DEAL WITH THAT UNTIL WE CAN RESOLVE THE ATTRITION PROBLEM. SO JUST TO GIVE MY OPINION ABOUT ALL OF THESE IDEAS COMING FORWARD, I WOULD SUPPORT THE SUGGESTIONS COMING FROM, PARTICULARLY THE LAST FROM COUNCILMAN ROBBINS, THAT WE SET ASIDE SOME MONEY THAT COULD BE USED BY THE POLICE DEPARTMENT IN ORDER TO RESOLVE ISSUES THAT YOU KNOW WERE THERE AND BASED ON THE INFORMATION THAT WAS PROVIDED TO US IN OUR PACKETS, THE SUGGESTION WAS THAT YOU NEED \$2.5 MILLION TO RESOLVE THAT PROBLEM FOR THIS COMING YEAR. THAT'S THE WAY I READ THE SECTION THAT SAYS REINVEST THAT WAS OVER AND ABOVE THE PLAN FOR THE DEPARTMENTS. SO MY SUGGESTION HERE AND I DON'T HAVE TO MAKE THE MOTION BECAUSE I WOULD HAVE TO ASK COUNCILMAN ROBBINS TO RESTATE WHAT HE SUGGESTED BEFORE. BUT IF WE ARE GOING TO VOTE ON THIS OR OFFER AN ALTERNATIVE MOTION I AM FINE WITH EITHER WAY. BUT NEVERTHELESS, I BELIEVE THE WAY TO GO IS TO TAKE 2.5 MILLION ALLOW YOU, THE POLICE CHIEF, TO USE THAT MONEY IN ORDER TO RESOLVE THE ISSUES THAT ARE IN YOUR DEPARTMENT AND TAKE IT OUT OF ONE-TIME FUND, NOT TO DO WHAT IS SUGGESTED IN THE MOTION. I DON'T KNOW IF YOU WANT TO MAKE AN ALTERNATIVE MOTION OR VOTE ON THE MOTION?

Mayor Lane: COUNCILWOMAN MILHAVEN.

Councilwoman Milhaven: I WOULD LIKE TO MAKE AN ALTERNATIVE MOTION TO DIRECT STAFF TO INCREASE THE BUDGET BY \$2.5 MILLION BUT TO COMPLETE A COMPETITIVE SURVEY AND COME BACK TO STAFF FOR AUTHORIZATION ON HOW TO ADMINISTER THAT MONEY. YOU CAN CALL IT ONE-TIME MONEY IF YOU WANT BECAUSE WE ARE JUST PUTTING IT IN.

Mayor Lane: CALL IT ONE-TIME MONEY.

Councilwoman Milhaven: OKAY. I WILL CALL IT ONE-TIME MONEY.

Councilmember Korte: SECOND.

Mayor Lane: ALTERNATIVE MOTION, WOULD THE SECOND LIKE TO SPEAK TOWARD IT? OKAY. PLEASE, PROCEED.

[Time: 02:29:16]

Councilmember Korte: CHIEF RODBELL, DID YOU DISAPPEAR? YOU THOUGHT YOU GOT OFF EASY. HOW DOES THE FORMER STEP PROGRAM THAT WAS IN PLACE FIVE YEARS AGO, COMPARE/DIFFER WITH WHAT'S BEING PROPOSED BY POSA.

Chief Rodbell: I AM NOT TOO SURE; I THINK IT JUST SPEEDS UP THE PROCESS. THE OLD SYSTEM WAS STEPS TO 5% FROM THE TIME YOU STARTED WITHIN YOUR RANGE UP UNTIL THE TIME YOU HAVE MAXED OUT IN YOUR RANGE AND COAL IS COST OF LIVING INCREASES THAT OCCUR BASED UPON THE DECISION TO PROVIDE PAY RAISES. EVERY YEAR WHEN AN EMPLOYEE IS EVALUATED THEY'RE EVALUATED AS TO WHETHER OR NOT THEY'RE IN THE STEP. THE SYSTEM BECAME A 0 TO 5 IN TERMS OF WHAT PERCENTAGE OF THE STEP THEY WOULD EARN. BECAUSE I BELIEVE AND SHOULDN'T SPEAK FOR MR. HILL, I AM UNDER THE IMPRESSION HE'S TRYING TO RECAPTURE THE COST STEP THAT IS OCCURRED IN THE FOUR YEARS THAT STEPS DID NOT OCCUR. SO THE TWO YEAR PLAN IS TO RECAPTURE THE FOUR LAST STEPS IN A TWO-YEAR PROCESS.

SO AND AGAIN I CAN'T SPEAK TO YOU ABOUT THAT BUT THAT'S MY UNDERSTANDING OF WHAT HE'S ATTEMPTING TO DO. WHAT I AM SUGGEST AS GOOD TO BRING BACK THE PROGRAM THAT ALLOWS AN OFFICER OR AN EMPLOYEE TO INTEREST INTER WHERE THEY THEY AND MOVE TO THE RANGE UNTIL THEY GET TO THE MAXIMUM RANGE LEVEL IN 5% EARNED INCREMENTS UP TO 5%. I WOULD HAVE TO SOME YOU COME BACK TO SEE HOW THE NUMBERS PLAY OUT. BUT IF I UNDERSTAND HE'S ATTEMPTING TO RECAPTURE THE LOST.

Councilmember Korte: THANK YOU.

Mayor Lane: COUNCILMAN LITTLEFIELD.

Councilman Littlefield: YOU KNOW, SOMETIMES I WONDER WHAT REALLY IS GOING ON AROUND HERE. WE HAVE BEEN STUDYING THIS ISSUE FOR TWO YEARS. SO DIDN'T HAVE A SPECIFIC PROPOSAL. THE REASON I ASKED THE POLICE OFFICERS TO MAKE A PROPOSAL IS BECAUSE I COULDN'T GET A PROPOSAL OUT OF STAFF TO FIX THIS. SO TONIGHT WE HAVE A SPECIFIC PROPOSAL ON THE TABLE. WHAT'S THE ALTERNATIVE? LET'S STUDY THE ISSUE SOME MORE. I SWEAR IT MAKES YOUR HEAD EXPLODE SOMETIMES. HOW LONG ARE ARE WE GOING STUDY THIS AND WHILE WE STUDY THIS GUESS WHAT POLICE AND DISPATCHERS LEAVE.

I ASKED THE PEOPLE OF POSA TO GIVE ME A LIST. THEY GAVE ME THE LIST OF THE NAMES AND DATES OF EVERYBODY WHO'S LEFT, DISPATCHERS AND POLICE. THIS ISN'T SOME ABSTRACT WHERE WE DON'T KNOW. WE KNOW WHO THESE PEOPLE ARE, BY NAME, WHEN THEY LEFT. WE NOW HOW MUCH IT COSTS TO REPLACE THEM. WE HEARD THE CHIEF TALK HERE. IT IS ACTUALLY WORSE THAN I THOUGHT, INSTEAD OF \$1,100,000 EACH. IT IS \$150,000 EACH. WE HEARD HOW FAR BEHIND WE ARE AND WHAT DO I GET, A PROPOSAL TO STUDY THE ISSUE. IF WE DON'T HAVE ANY SPECIFIC CONCRETE PROPOSAL, IF WE TONIGHT VOTE ON THIS SPECK CONCRETE PROPOSAL TONIGHT, WE LOSE ANOTHER BUBBLE ET HOW MANY PEOPLE WILL LEAVE NEXT YEAR.

WELL, THIS IS ACTUALLY I MEAN A LOT OF STUFF HAS HAPPENED HERE THAT I THOUGHT WAS NOT VERY SMART FOR SHOULDN'T HAVE BEEN HERE. BUT THIS IS BORDERING INSANITY TO STUDY THIS FOR ANOTHER YEAR. THERE'S A PROPOSAL ON THE TABLE THAT WILL FIX IT THAT WE CAN PAY FOR IT. LET'S

VOTE FOR THAT PROPOSAL AND DO IT. IF YOU GUYS HAD A BETTER IDEA: YOU HAD YOUR CHANCE TO GIVE IT TO US, AND YOU NEVER DID.

[Time: 02:33:34]

Mayor Lane: THANK YOU COUNCILMAN, THERE'S NOT ONLY INSANITY ABOUT THIS THE FACT OF THE POINT OF WHAT HAS BEEN REQUESTED OF STAFF. THAT WAS A SOLUTION TO THIS. I AM GOING TO HAVE TO SAY AND CHIEF I THINK YOU KNOW THAT A NUMBER OF CONVERSATIONS HAVE TAKE IN PLACE ON HOW THIS COULD BE DISTRIBUTED TO THE EXTEND IT WAS AVAILABLE. WE ASK THE STAFF AND CITY MANAGER TO BRING US A BUDGET THAT'S GOING TO BALANCE WITH SOME CONSIDERATION FOR ALL OF THE WORKERS WITHIN THE CITY GOVERNMENT. IF OUR CITY GOVERNMENT OR CITIZENS ARE POLED, THEY DON'T DISCRIMINATE BETWEEN THE AREAS. THIS THEY TALK ABOUT CITY SERVICES AS FOR THE TOP PRIORITY. SO WHEN WE HAVE AN EXTENT OF BUDGET FUNDS, REVENUES WE EXPECT, WE WORK WITHIN THOSE BONDS. THIS GOES TO THE 2 PERCENTAGE OFFERED OVER TO EACH AND EVERY DEPARTMENT TO USE ON A MERIT BASIS TO ESSENTIALLY STEP THEIR PEOPLE UP A BIT AND REASON THEIR RANGES. WITHIN CERTAIN GRADES, WE WORK WITH THE FUNDS THAT WE HAVE. WE DON'T MAKE THIS STUFF UP: IT IS NOT LIKE DC WHERE WE BORROW BILLIONS OR TRILLIONS TO COVER THE OPERATING EXPENSES. WE DON'T HAVE THAT OCEAN. SO IT ALWAYS WORKS WITHIN THE BOUNDS. TO WORK OUTSIDE OF THOSE BOUNDS, WE WILL HAVE TO LOOK AT OTHER THINGS OTHER THAN TO MAKE UP FOR IT ON THE TABLE, I SUPPORT IN A SENSE IT HAS BEEN PUT FORWARD BY COUNCILWOMAN, BUT IT IS TO THE POINT OF COUNCILMAN ROBBINS POINT, AND THAT IS THAT WE NOT ONLY TAKE ONE TIME MONEYS TO BONUS, TO FIX THE SITUATIONS AS WE SEE THEM DEVELOPING, WE TAKE THE 2% OF THE FUNDS AND HOPEFULLY MANAGEMENT CAN IDENTIFY THOSE ISSUES THAT ARE VERY VERY SPECIFICALLY RELEVANT TO HOW THEY NEED TO STEP THROUGH THE CATEGORIES. HOPEFULLY THEY'RE WORTHY SO THEY HAVE EARNED IT X. THEREFORE WE USE THAT. IN OTHER CASES WE USE THAT MONEY THAT WE HAVE AVAILABLE BY VIRTUE OF SAVINGS OR UNDERESTIMATIONS OF FORECASTED REVENUES TO BE ABLE TO SAY WE ARE NOT GOING PUT IT INTO THE BUDGET BECAUSE WE DON'T ANTICIPATE IT BEING THERE AGAIN. BUT IT IS ONE-TIME MONEY. AND APPLY THAT TO GIVE THE CITY MANAGER BUT THROUGH THE CHIEF THE ABILITY TO BE ABLE TO ALLOCATE THOSE FUNDS TO FIX THE PROBLEM AS BEST AS WE CAN. UNTIL WE DO LOOK AT THIS THING, MANY A MORE HOLISTIC WAY FOR THE ENTIRE CITY AS FAR AS WHAT OUR RESOURCES WILL ULTIMATELY BE. WE HAVE TO BE ABLE TO TAKE TIME. WE CANNOT REALLY NEGOTIATE, I DON'T BELIEVE AN ENTIRELY DIFFERENT PROGRAM IN HOW WE COMPENSATION. I DON'T THINK IT IS FAIR TO MANAGEMENT OR AN APPROPRIATE WAY TO OPERATE. SO, WITH THE OBVIOUS STIPULATION, I KNOW THERE'S SOME RELUCTANT BUT FROM THE UNALLOCATED FUNDS, TAKING THE SUM OF MONEY IN THE ACCEPTED IN THE MOTION AND SECONDED, I SUPPORT THAT MOTION.

[Time: 02:37:14}

City Treasurer David Smith: THANK YOU, MR. MAYOR AND MEMBERS OF THE COUNCIL. I WANT TO MAKE SURE THAT THE MOTION AND ALTERNATIVE MOTION ARE CLEAR. WHAT WE PRESENTED TO YOU EARLIER WAS A BUDGET THAT WAS AN OPERATING BUDGET THAT WAS BALANCED WITHIN \$111,000. THE COMMITMENT WAS MADE TO FIND A WAY TO SAVE THE \$111,000. WE THEN WENT A STEP FURTHER AND SAID WE WOULD SPEND SOME OF THE SAVINGS IN THE BANK ACCOUNT IF YOU WILL TO FUND OTHER ONE-TIME INITIATIVES. THE MOTION THAT WAS PUT ON THE TABLE WAS TO ACCEPT AND IMPLEMENT THE PROPOSAL. WE CAN'T DO THAT UNLESS YOU GIVE US GUIDANCE ON

WHAT YOU WANT CUT FROM THE BUDGET BECAUSE THAT WOULD ADD NOT ONE- TIME MONEY BUT ACTUAL SALARY INCREASES TO THE TUNE OF \$3,370,000 IN THE FIRST YEAR. IF WE PUT THAT INTO THE BUDGET THEN WE HAVE TO FIND \$3,370,000 WORTH OF OTHER THINGS TO CUT FROM BUDGET BECAUSE IT WILL NOT BE A BALANCED OPERATING BUDGET THE PROPOSAL FROM POSA WAS FOR YEAR OF YEAR AFTER YEAR INCREASES IN THE COMPENSATION OF AN INDIVIDUAL. SO IT IS NOT ONE- TIME MONEY. THE PROPOSAL FROM COUNCILMAN ROBBINS AS I UNDERSTAND IT WAS TO PUT \$2.5 MILLION EARMARKS IF YOU WILL AGAINST THE UNRESERVED FUND BALANCE AND I TOLD YOU OUR CURRENT PROJECTION IS THAT THAT WILL BE ESTIMATED AT OVER FIVE MILLION DOLLARS AT THE END OF NEXT YEAR. SO THERE'S ADEQUATE FUNDING THERE TO SET ASIDE \$2.5 MILLION TO QUOTE UNQUOTE FIX THE PROBLEM. BUT I WOULD CAUTION THAT THE COUNCIL MISUNDERSTANDS THAT THE FIX CANNOT BE IN ON GOING PROGRAM CHANGES. THIS \$2.5 MILLION THAT YOU WANT SET ASIDE CANNOT BE SPENT TO GIVE SOMEBODY A HUNDRED DOLLAR INCREASE AND SAY IT IS A HUNDRED DOLLARS THIS YEAR AND NEXT YEAR AND EVERY YEAR THEREAFTER. IT IS NOW A NEW LEVEL. IT CAN ONLY BE ONE-TIME MONEY. YOU CAN SAY HERE IS A HUNDRED DOLLARS, BUT YOUR BASE PAY REMAINS THE SAME. COME BACK NEXT YEAR AND MAYBE THERE'S AN EXTRA HUNDRED DOLLARS. IF WE DON'T OR IF YOU DON'T INTEND FOR IT TO BE THAT, IF YOU INTEND FOR IT TO BE A REAL FIX TO THE STEP PROGRAM AND A REAL INCREASE TO AN INDIVIDUAL'S PAY, THAT WILL BE ENJOYED THIS YEAR AND NEXT YEAR AND EVERY YEAR THEREAFTER, THEN THAT'S NOT TAKING FROM THE UNRESERVED FUND BALANCE THAT'S AN ACTUAL INCREASE IN THE BUDGET. THE BUDGET WILL BE OUT OF BALANCE TO THE EXTENT THAT OCCURS AND YOU NEED TO DIRECT STAFF TO \$2.5 MILLION TO CUT ELSEWHERE. THE 2.5 MILLION CAN BE SET ASIDE TO QUOTE UNQUOTE DEAL WITH RETENTION PROBLEMS. I DOUBT IF IT CAN BE SET ASIDE TO ESTABLISH A STEP PROGRAM BECAUSE THAT UNLESS I AM MISUNDERSTANDING YOU, THAT IMPLIES SOME KIND OF INCREASES TO THE COMPENSATION LEVEL OF PEOPLE THAT WOULD BE ONGOING.

Mayor Lane: MR. SMITH I THINK YOU MAY BE MISUNDERSTANDING OR AT LEAST IT IS NOT IN THE SAME SENSE THAT I UNDERSTOOD IT FROM EITHER COUNCILMAN ROBBINS OR FROM COUNCILWOMAN MILHAVEN, WITH THE ASSERTION AND ACCEPTANCE OF THE USE OF ONE TIME MONEYS THAT HAS IT, THE EXPLICIT ISSUE THAT IT IS MEANT TO ADDRESS THOSE PROBLEMS AS MANAGEMENT WILL SEE, BUT IT IS ONLY A ONE-TIME ALLOCATION OF THOSE TO DO THAT. WITH THE IDEA THAT WE WILL DO THIS IN THE CURRENT YEAR, TO SEE IF THERE'S SOMETHING, SOME OTHER PROGRAM. PERSONALLY, I DON'T KNOW THAT IT IS NECESSARY TO ESTABLISH A PROGRAM, BUT WE HAVE THE RESIDUAL EFFECT OF A NUMBER OF YEARS WE HAVEN'T BEEN ABLE TO INCREASE OR WE HAVE ACTUALLY IN SOME CASES REDUCED BECAUSE OF THE ECONOMIC CONDITIONS. ARE WE ON A RECOVERY PATH? I HOPE SO AND THINK SO. WE ARE NOT GOING TO DRIVE INTO A NEW PROGRAM BECAUSE WE ARE GOING TO SET UP ON A PERMANENT AUTOMATIC INCREASE THAT IS GOING FORWARD. I THINK THE ALTERNATIVE PROGRAM IS INTENDED TO FOLLOW THE BUDGET AND THE BALANCE OF THIS 2.5 MILLION OF THE ONE-TIME MONEY IS MEANT TO BE USED BY MANAGEMENT AS BEST AS THEY CAN IN THE CURRENT YEAR.

[Time: 02:45:25]

Councilman Robbins: I DON'T WANT TO MICRO MANAGE THIS AND THANK YOU MR. SMITH FOR STATING THAT. BUT I WANT TO TALK TO MR. WORTH A LITTLE BIT ABOUT HOW THIS PROCESS MIGHT WORK AND MAYBE THE TIMING FOR THIS. BUT I SEE THE CHIEF HAS SOME NUMBERS THAT LOOK A LITTLE DIFFERENT THAN YOUR NUMBERS AND SO I KNOW THE CITY HAS AN HR DEPARTMENT THAT IS

TASKED WITH HANDLING THIS KIND OF THING AND PUBLIC SAFETY ALSO HAS THOSE RESOURCES AS WELL SO I AM JUST WONDERING HOW THIS IS GOING TO WORK, IF WE DIRECT YOU TO COME BACK WITH A COMPETITIVE PLAN THAT IS GOING TO KEEP OUR OFFICERS IN SCOTTSDALE, HOW WOULD YOU SEE THAT WORKING WITH THE POLICE DEPARTMENT AND YOURS AS WELL. I WANT TO MAKE SURE THAT WE ARE ALL USING THE SAME NUMBERS AND USING STAFF APPROPRIATELY SO THAT WE DON'T HAVE ANY INTERAGENCY ISSUES OR HOWEVER YOU WOULD SAY THAT BUT THAT WE COME BACK WITH THE SAME PLAN AND UNITED IN OUR DIRECTIONS. SO HOW DO YOU SEE THAT WORKING EXACTLY? HOW LONG WOULD THAT TAKE? WHEN WOULD YOU THINK THAT YOU CAN GET THAT BACK TO US SO ALL OF THOSE IN DEPARTMENT KNOW WHEN TO EXPECT YOUR REPORT?

Dan Worth: AS FAR AS THE NUMBERS THAT CHIEF RODBELL SHOWED VERSUS THE NUMBERS THAT I SHOWED, THE TWO SETS OF NUMBERS. HE SHOWED THE ATTRITION NUMBERS AND THEY DIFFERED SLIGHTLY, BUT HE SHOWED ABOUT 8 TO 8.5% FOR THIS YEAR. THAT IS BASED ON THOSE THAT ARE LISTED BY NAME THAT COUNCILMAN LITTLEFIELD MENTIONED. I HAVE SEEN THAT LIST. IT IS REAL. THAT'S WHAT IT EQUATES TO. IF YOU ANNUALIZE IT IS IN THE RANGE OF 8 TO 8.5%. I SHOWED THE NUMBERS FOR PREVIOUS YEARS WHERE WE HAVE A FULL YEAR OF EXPERIENCE, WE DON'T HAVE ANY DISPUTE ON THE NUMBERS AS FAR AS THE TURNOVER RATE. ONE THING I WILL POINT OUT ON THE NUMBERS FOR SOME OF THE OTHER FAILING MUNICIPALITIES THAT MAY OR MAY NOT HAVE STEP PROGRAM, IF YOU DO THE MATH AND TAKE A LOOK AT THE AVERAGE INCREASE YEAR TO YEAR THAT'S REPRESENTED BY THOSE STEPS, BY THOSE MOVEMENTS THROUGH THE PAY RANGE IT WORKS OUT THAT THE NUMBER ON THE RIGHT HAND COLUMN, THESE ARE THE SAME NUMBER, IT IS NOT 5% AA YEAR. THOSE WHO HAVE STEPS DON'T GIVE THEM YEAR AFTER YEAR AFTER YEAR. THOSE WHO HAVE STEPS ARE GIVING THEM IN THE THREE OR FIVE OR SEVEN YEAR, AND IT EQUATES TO YOU CAN SEE THE RANGE FROM 1.73% ANNUALLY TO 3.6% ANNUAL BASIS. 2% IS NOT INTENDED TO FIX THE PROBLEM LONG TERM BUT 2% IS WHAT WE FELT WE COULD REASONABLY PROPOSE WITH ANY AVAILABLE REVENUES FORECASTED FOR NEXT YEAR CITY-WIDE IN ORDER TO KEEP ON TASK WE WANT TO BE ON --WITH OTHER CITIES. WE WOULD ANTICIPATE AS WE STEP INTO 14 #, 15, 16, THAT IT IS ECONOMIC CONDITIONS CONTINUE TO IMPROVE AND THE REVENUE IMPROVES, IT IS THE WAY WE THEY WILL BE ABLE TO GET BACK TO THREE OR FOUR% ON A REGULAR BASIS AND MATCH OR EXCEED THE NUMBERS THAT YOU CAN SEE FROM THESE OTHER COMMUNITIES. SO AGAIN, SAME NUMBERS, BUT I WANTED TO POINT OUT WHAT THAT EQUATES TO ON A YEAR-OVER-YEAR BASIS.

AS FAR AS HOW WE WOULD IMPLEMENT IT, IF YOU DIRECTED US TO SPEND \$2.5 MILLION IN ONE TIME, I REALLY COULDN'T TELL YOU AT THIS POINT IN TIME, NOW I WOULD HAVE TO SIT DOWN WITH THE CHIEF. THAT WOULD BE SPECIFIC TO HIS WORK FORCE, BUT THAT'S EXACTLY WHAT WE WOULD DO. WE WOULD SIT DOWN AND JOINTLY DETERMINE HOW WE ARE GOING COMPLY WITH THE DIRECTION YOU ARE GIVING TO USE THAT IN A WAY THAT ADDRESSES THE CURRENT YEAR PROBLEMS RECOGNIZING THAT IT IS GOING TO TAKE THE FORM OF BONUSES RATHER THAN PAY INCREASES. WE WILL HAVE TO BE BACK NEXT YEAR TO ADDRESS THE PAY.

[Time: 02:46:50]

Councilman Robbins: I GUESS THAT'S NOT WHERE I THOUGHT WE WERE GOING WITH THAT WAS YEAH, YOU WOULD DEAL WITH THAT I MEAN WE ARE BUDGETING THAT 2.5 AND YOU WILL TAKE CARE OF IT. WAS INTERESTED IN THE SECOND PART OF THE MOTION WHICH WAS THE SECOND THING I TALKED ABOUT WHICH WAS THE COMPETITIVE PAY ANALYSIS SO WE ARE NOT 8, 9, 10, BUT WE ARE

COMPETITIVE. I DON'T KNOW WHAT THE NUMBER IS EXACTLY. HOW WOULD YOU GO ABOUT COMING BACK WITH THAT REPORT? THAT'S WHAT I AM INTERESTED IN YEARS FROM NOW, NEXT YEAR THE YEAR AFTER, THE YEAR AFTER. I WANT TO PUT TOGETHER A PROGRAM. THE CHIEF, THE PUBLIC SAFETY HAS A DEPARTMENT THAT DEAL WITH THOSE, AND HR DOES AS WELL.

I WANTED TO KNOW HOW YOU ARE GOING TO USE THOSE RESOURCES AND WHEN YOU ARE COMING BACK WITH THAT REPORT. I DON'T WANT TO WAIT UNTIL NEXT MAY OR APRIL FOR THAT I WOULD LIKE TO SEE IT AFTER THE SUMMER, MAYBE IN SEPTEMBER, A REPORT TO COME BACK SO WE KNOW WHAT WHAT WE ARE DEALING WITH NEXT FISCAL YEAR.

Dan Worth: IT IS A FLUID SITUATION. IF WE COMPARE OURSELVES WITH OTHER MUNICIPALITY IT'S A MOVING TARGET, THEY'RE GOING THROUGH THE SAME PROCESS. I SHOWED YOU SOME LINES THAT I HAD COVERED UP PREVIOUSLY. IF YOU LOOK AT THIS LINE ACROSS THE BOTTOM, I AM DRAWING ON THE SCREEN, BUT I CAN'T DO THAT. IF YOU LOOK AT THE LIND THAT SAYS SCOTTSDALE AT 2% A YEAR, BELOW THE REST OF THE CHART: IF ALL WE GOT, FOR YEAR AFTER YEAR AFTER YEAR, WAS ANOTHER 2% AND THAT'S A VERY PESSIMISTIC VIEW, IF ALL WE GOT WAS ANOTHER 2%, THAT'S WHAT IT WOULD EQUATE TO, YOUR THREE, FIVE, SEVEN, TEN. YOU CAN SEE THE PENCIL IN NUMBERS BELOW, YOU DON'T STAY AT THE TOP. BUT WE DID GREAT AS QUICKLY AS WHAT WE WOULD IF THERE WAS NO INCREASES. SO, FROM A SNAPSHOT PICTURE WHERE IT STANDS RIGHT NOW, COMPETITIVE IS, AND THIS IS JUST AN AVERAGE EMPLOYEE STARTING AT THE BOTTOM AND WORKING THROUGH. IT DOESN'T ADDRESS A LOT OF DIFFERENCES WITHIN THE RANGE OTHER THAN SOMEBODY GETTING A STEP WHERE IT IS GUARANTEED OR GETTING A 2%. WE ARE NOT EVEN PROMISING 2%. IT IS AN AVERAGE OF 2%. EACH EXECUTIVE DIRECTOR GETS 2%, INCLUDING THE POLICE CHIEF, OF THE PAYROLL TO APPLY, AND WE WILL GET MORE POTENTIALLY. SOME WILL GET LESS BUT AN AVERAGE OF 2%. WE STAY NOT MID RANGE. WE DO DROP. THERE'S NO DOUBT ABOUT THAT. THE QUESTION IS WHERE DO YOU WANT TO BE, AND WE COULD COME BACK FAIRLY QUICKLY WITH THE EXERCISE. WE WOULD HAVE TO ASSUME WHAT WE KNOW NOW. OTHER MUNICIPALITIES CHANGE, AND FIGURE OUT THE PROPOSALS ARE GOING TO BE. BUT WE COULD COME BACK FAIRLY QUICKLY WITH A PLAN FOR HOW MANY PERCENTAGE INCREASES ON THE AVERAGE WE NEED TO HAVE OVER TIME IN ORDER TO STAY COMPETITIVE.

[Time: 02:50:19]

Councilman Robbins: OKAY. GOOD. THAT'S I THINK WHAT WE WANT TO SEE IS SOMETHING BACK TO MATH EXERCISE. LET US KNOW WHERE WE ARE, HOW MUCH IT WILL TAKE AND WHAT WE NEED IN SUCCESS OF YOUR BUDGETS TO MAKE IT HAPPEN.

Councilman Phillips: THANK YOU, MAYOR. WELL, YOU KNOW, CHIEF RODBELL MADE THE POINT THAT WE USED TO HAVE THE STEP PROGRAM AND WE TOOK IT AWAY. EXAM AND WHEN WE HAD THE BUDGET, THAT WAS THE HOPE WE COULD REINSTATE IT. THE CITY MANAGER LOOKED AT IT AS WELL. WE CAN DO 2%. THAT'S AS FAR AS WE CAN GO FROM IT. TAKING MONEY FROM OTHER DEPARTMENTS TO GIVE MORE THAN THE 2% WOULD HAVE BEEN THE FIGHT. I AM NOT A CITY MANAGER AND I AM NOT THE ONE TRYING TO FIGURE OUT THE BUDGET BUT IT COULD HAVE BEEN DONE. THAT'S WHY THE POLICE DEPARTMENT, --CAME BACK WITH THE WAY TO DO IT. THAT'S WHAT I AM LOOKING FOR. AIM NO T LOOKING --I AM NOT LOOKING FOR LET'S TWO OVER THIS YEAR AFTER YEAR AFTER YEAR AND WE WILL GIVE THEM TIDBITS DEPENDING HOW MUCH IS LEFT OVER AND WHAT WE CAN DO AT THAT

TIME. COUNCILMAN ROBBINS HAS GREAT IDEAS ON THIS AND I THINK THAT WE NEED TO COME BACK AND SAY WE NEED TO REINSTATE THIS PROGRAM AND DO IT AS QUICK AS POSSIBLE. IT DOESN'T SOUND LIKE WE ARE GOING TO GET IT TODAY. WE CAN'T GIVE \$2 MILLION. THAT'S A HELD OF A BONUS. WE CAN'T SOLVE IT TODAY BUT IT HAS TO BE SOLVED AND REINSTATED. I'M LOOKING FORWARD TO THE STAFF FIGURING THAT OUT BEFORE NEXT YEAR.

Councilwoman Milhaven: THANK YOU. I JUST WANT TO CLARIFY THAT THERE'S EVIDENCE TO SUGGEST WE HAVE LOST COMPETITIVENESS AND THAT WE CONTINUE TO BE COMPETITIVE. SO WHILE I UNDERSTAND IT IS HARD TO HEAR WHAT OTHER CITIES --ANTICIPATE WHAT OTHER CITIES HAVE DONE, IT IS OKAY TO LOOK BACKWARDS AND SAY WE HAVE BEEN UNCOMPETITIVE. THE OTHER POINT TO MAKE IS I DO NOT WANT TO LEAD THE MARKET UP IN PERSONNEL COSTS. BUT I WANT TO BE RESPONSIVE TO THE MARKET EVEN IF WE DON'T KNOW WHAT PEOPLE ARE GOING TO DO WE CAN REVISIT. WE CAN LOOK BACKWARDS, IS IT EQUITABLE, IS IT COMPETITIVE, HOW DO WE FIX IT? STAFF WAS NOT AUTHORIZED TO SPEND THIS MONEY WITHOUT COMING BACK TO COUNCIL BECAUSE WHAT WE NEED IS TO SAY IS IT EQUITABLE AND BECOME EQUITABLE. SO GIVEN YOU CAN'T SPEND IT UNTIL YOU COME BACK THERE'S A SENSE OF URGENCY, WE WOULD LOVE TO GET AN UPDATE NO LATTER THAN SEPTEMBER OF THIS YEAR, IF SOONER GREAT, BUT NO LATER THAN SEPTEMBER.

[Time: 02:53:30]

Mayor Lane: I GUESS I NEED TO ASK FOR CLARIFICATION, IF THIS IS ONE TIME MONEY AND IT IS USED BY THE CHIEF TO DETERMINE HOW TO USE HIS FORCE IN A COMPETITIVE WAY. I AGREE WITH YOU IF I MIGHT JUST AS CLARIFICATION ON THIS MYSELF, WE WOULD LIKE TO SEE PROGRESS. WHAT THE CITY MANAGER HAS JUST DEMONSTRATED IF IT IS ON A PROGRAM TO ADDRESS A CERTAIN PERCENTAGE THROUGH THE YEARS, IT ESSENTIALLY BECOMES THE STEP PROGRAM IF THE POLICE CHIEF WANTS TO WORK IT THAT WAY. YOU CAN JUST APPLY THOSE MONEYS IN THE STEP FORMAT AS WE HAVE THE FUNDS AVAILABLE TO DO IT I WOULD LIKE TO SEE THE CHIEF BE ABLE TO USE IT HOWEVER HE FEELS IS NECESSARY, IN THIS PARTICULAR PROPOSAL HOWEVER HE FEELS IS NECESSARY TO PROTECT HIS LABOR FORCE, IN A COMPETITIVE MANNER OR FOR ATTRITION TO KEEP DOWN. BUT IN ANY CASE, YOU HAVE GOT THE ADJUSTMENT. I AM NOT SURE EXACTLY HOW TO READ THAT. BUT AT THE SAME TIME I AM MORE INTERESTED IN CHIEF HAVING THE ABILITY TO USE THESE FUNDS AS HE FEELS IS NECESSARY IN THIS YEAR.

Mayor Lane: TO RESTATE YOUR ADJUSTMENT OR YOUR AMENDMENT TO IT.

Councilwoman Milhaven: RESTATE THE ORIGINAL MOTION AND THE AMENDMENT. OKAY. SO I MOVE THAT WE DIRECT STAFF TO INCREASE THE BUDGET BY \$2.5 MILLION WITH THE PURPOSE OF EAR MARKING THAT TO ADDRESS POTENTIAL INEQUITIES THAT MIGHT BE DISCOVERED OR SUBSTANTIATED BASED ON A REVIEW OF SALARIES AND MONEY SHOULD NOT BE SPENT UNTIL THE COUNCIL HAS OPPORTUNITY TO REVIEW AND THAT WE WOULD WANT A REPORT BACK ON THAT NO LATER THAN SEPTEMBER.

Mayor Lane: I WILL SAY THE SAME THING I SAID LAST TIME. IT IS ONE-TIME FUNDS.

Councilwoman Milhaven: OKAY. ONE-TIME FUNDS.

Councilmember Korte: I ACCEPT THE AMENDMENT.

Mayor Lane: ALL RIGHT. COUNCILMAN LITTLEFIELD.

Councilman Littlefield: EVERYBODY ADMITS THERE'S A PROBLEM BUT NOBODY WILL TAKE THE ACTION TO FIX IT. WE ALL AGREE, WE ARE 35 PEOPLE DOWN AND WE HAVE BEEN STUDYING THIS FOR TWO YEARS. EVEN IF YOU PUT A SEPTEMBER DEADLINE, SEPTEMBER IS ALREADY A QUARTER OF THE WAY THROUGH THE NEXT BUDGET YEAR. IF WE DON'T FIX THIS NOW, INSTEAD OF BEING 35 DOWN, HOW MANY DOWN, 45, 50? WE DON'T WANT TO SPEND THE MONEY TO ACTUALLY PUT INTO PLACE A PROGRAM THAT WILL FIX THIS, BUT WE GAVE \$2.5 MILLION FOR SOME VAGUE FIX IT. YOU HAD TWO YEARS TO FIX IT.

Mayor Lane: THANK YOU, COUNCILMAN. IT REALLY GETS DOWN TO WHERE THE MONEY COMES FROM. I SUPPOSE IF YOU DON'T HAVE THE MONEY, IT IS A GREAT THING TO PROPOSE A FIX. BUT IF YOU HAVE TO SACRIFICE SOMETHING ELSE THAT'S THE DECISION WE WOULD HAVE TO MAKE. WE HAVE TO DECIDE WELL IT IS A --MAYBE YOU PUT THAT ON THE STABLE WITH THE MOTION, WHERE IT IS GOING TO COME FROM.

[Time: 02:57:53]

Vice Mayor Klapp: IF THE CHIEF WANTS TO COME BACK NEXT YEAR AND TELL US HOW HE'S GOING TO SPEND THE MONEY, HE DOESN'T HAVE TO WAIT UNTIL SEPTEMBER. WE ARE JUST GIVING ENOUGH TIME TO COME UP WITH A PLAN. IF THERE'S A FEED TO RESOLVE THE SITUATION FBI FIRST PART OF THE AND THERE'S A PLAN IN PLACE. YOU WANT TO COME BACK AND REVIEW THAT, THAT'S MINE WITH ME. WE ARE SEEING NO LATER THAN SEPTEMBER, BUT HOPEFULLY WE WILL SEE IT IN TIME SO SOMETHING CAN BE IMPLEMENTED AT THE BEGINNING OVER THE FISCAL YEAR.

Mayor Lane: WE ARE READY TO VOTE ON ALTERNATIVE MOTION. ALL THOSE IN FAVOR PLEASE INDICATE BE I. THOSE OPPOSED NAY. MOTION PASSES 5-2 WITH LITTLEFIELD AND PHILLIPS OPPOSED. ITEM 14 RESOLVED.

Dan Worth: MAYOR THAT JUST RESOLVES A PORTION OF ITEM 14.

Mayor Lane: I KNOW IT. I SAID THAT ITEM G

Dan Worth: NOW WE WILL MOVE ON TO A LESS CONTENTIOUS, ISSUE, A LESS COMPLEX ISSUE. WHEN WE ESTABLISHED THE FIRE DEPARTMENT IN 2005, THE COUNCIL ADOPTED A "STANDARDS OF COVERAGE" DOCUMENT THAT DETERMINED WHAT OUR OBJECTIVES WERE FOR DIFFERENT ASPECTS OF PROVIDING EMERGENCY SERVICES FOR OUR COMMUNITIES YOU HEAR US TALK ABOUT A FOUR MINUTE RESPONSE TIME. THAT'S WHERE THAT COMES FROM AND ALSO GUIDED BASED ON OUR ABILITY TO ACHIEVE THOSE STANDARDS IT GUIDED THE DEVELOPMENT OF THE RECOMMENDED STAFFING AND WHERE WE PUT THE STATIONS AND THE FIRE FIGHTERS. COUNCIL IN 2005 WHEN WE CREATED THE FIRE DEPARTMENT ADOPTED THAT STANDARDS OF COVERAGE DOCUMENT AND WE CONTINUE TO USE THAT AS A GUIDELINE FOR INSURING THAT WE ARE MEETING THE NEEDS OF THE COMMUNITY AND DOING THAT BY PUTTING THE RESOURCES IN ALL LOCATIONS WHERE THEY'RE NEEDED TO ACHIEVE THE MAXIMUM EFFECT. IF YOU LOOK AT THIS DIAGRAM IT SHOWS TWO THINGS.

ONE IS THE PURPLE LINES SHOW THE STATIONS ASSOCIATED WITH DIFFERENT AREAS, STATION 601 ON MILLER, 602 IS AT INDIAN SCHOOL, 603 IS MCDONALD. SHOWS THE AREAS OF FIRST RESPONSE THESE ARE THE AREAS WITHIN THAT STATION IS THE CLOSEST ASSET TO RESPOND TO THAT CALL. HOW WE RESPOND TO CALLS IS MORE COMPLEX AND HI-TECH WE ARE A MEMBER OF THE AUTOMATIC AID SYSTEM, WITH PHOENIX, TEMPE, AND A NUMBER OF OTHER MUNICIPALITIES. WE USE A CENTRALIZED DISPATCH OUT OF PHOENIX. AND THEY USE TECHNOLOGY TO MATCH THE CLOSEST AVAILABLE ASSET TO THE CALL AS IT COMES IN. YOU GET STATION 1 RESPONDING IN A STATION 2 AREA AND YOU GET STATION 2 RESPONDING INTO A STATION 1 AREA. BUT IT'S THE WAY WE INSURE THAT RESPONSES ARE QUICKEST AND MOST APPROPRIATE POSSIBLE, NO MATTER WHERE THE EMERGENCY IS.

THE RED AND THE ORANGE AND THE YELLOW ARE A REFLECTION OF THE NUMBERS OF CALLS THAT COME IN GEOGRAPHICALLY. RED IS THE MOST INTENSE AREA. THIS IS THE HIGHEST NUMBER OF CALL VOLUMES, SMALLER NUMBER OF CALLER AS YOU MOVE OUTSIDE OF THAT. THE ISSUE TO ADDRESS WITH THE PROPOSAL THAT CHIEF SHANNON MADE AND I WILL BACK UP THE PROPOSAL THAT WAS IN HIS RECOMMENDATION THAT WAS NOT IN THE PROPOSAL WAS TO ADD STAFFING. IF YOU TAKE THE COST OF THOSE FTES PLUS THE TRAINING WHICH WAS A BUDGET REQUEST TO BRING NEW FIREFIGHTERS ON BOARD THE NEW REQUESTS \$600,000. THE REASON THAT WE WERE CONSIDERING DOING THAT IS TO INSURE THAT THE FOCUS IS ON STATION 602, THE MIDDLE OF THE RED AREA THAT WE HAVE ADEQUATE RESPONSE IN THAT AREA. I AM GOING TO SHOW YOU A COMPARISON BETWEEN THIS YEAR AND LAST YEAR TO ILLUSTRATE THE POTENTIAL CONCERN. IN 2011/12. IT WILL BACK UP. GO BACK TO THE STANDARDS OF COVERAGE DOCUMENT RECOMMENDED TWO COMPANIES AT STATION 2. WHEN WE ESTABLISHED THE FIRE DEPARTMENT STATION 2 DIDN'T EXIST. WE HAD THREE COMPANIES. WITH STATION ONE. STANDARD OF COVERAGE DOCUMENT, RECOMMENDED RELOCATING. WE ACCOMPLISHED THAT.

WE DID THAT IN UNTIL 2011- '12 WE REDUCED THE STAFFING AT STATION 1: THE 1 IS 1.9. WE PROVIDED THAT ADDITIONAL COVERAGE THROUGH FLEXIBLE USE. THIS YEAR IT IS REDUCED DOWN TO JUST OVER ONE COMPANY WORTH OF EFFECTIVE STAFFING AT STATION 2 AND THAT WAS LARGELY A AS A RESULT OF USING THAT FLEXIBLE STAFFING, STATION 8 UP ON CACTUS AND 96. THE BAR SHOWS THE NUMBERS OF CALL 6,161 CALLS IN 11/12, HANDLED BY TWO COMPANIES. WE HAD TWO DIFFERENT COLORS. THE GREEN IS WHAT WE RESPONDED TO TWO WITH STATION 2. THE GRAY PORTION OF THE BAR IS THE CALLS THAT WERE RESPONDED TO BY OTHERS INCLUDING THE OTHER TWO STATIONS ON EITHER SIDE OF STATION 2 IN SCOTTSDALE OR CALLS BY AIDE FROM PHOENIX AND OR TEMPE. OUT OF OVER 6,000 CALLS 93% WERE HANDLED BY THE ASSETS THAT WERE SUPPOSE TO HANDLE THOSE CALLS. THE OTHER 7% WERE HANDLED ADEQUATELY AND IN MOST CASES BY OTHER ASSETS BUT THE ASSETS IN STATION 2 WEREN'T AVAILABLE FOR WHATEVER REASON, THE AUTOMATED AID SYSTEM REACHED OUT AND TOUCHED STATION 1, 3 OR PHOENIX AND TEMPE, AND BROUGHT US UNDER ANOTHER ASSET. THAT HAPPENED FOR 7% OF THOSE 6,000 CALLS.

THIS IS WHAT WE ARE SEEING THIS YEAR: WE HAVE GONE TO JUST ONE COMPANIES WORTH OF STAFFING. THE CALL HAS GONE UP; THE DARK GREEN REPRESENTS THE INCREASED CALL VOLUME OF 10%. THE GRAY PORTION OF THE BAR SHOWS THE SAME THING IT DID FOR LAST YEAR EXCEPT THE NUMBER IS DRASTICALLY INCREASED. IT IS NOT 7% OF THE CALLS BEING HANDLED IT IS 23% OF THE CALLS BEING HANDLED BY ASSETS FROM OTHER AREAS. THIS CAUSES SOME CONCERN. WE STILL MEET OUR STANDARDS AND AVERAGE TIME, STILL EMERGENCY SERVICE WHEN AND WHERE IT IS NEEDED

BUT WE ARE PUTTING STRESS ON THE SYSTEM. WE ARE PUTTING STRESS ON THE ASSETS IN STATION 2 #, AND IT IS MORE HEAVILY UTILIZED, AND ON THE ASSETS FROM OTHER AREAS. THEY HAVE AREAS TO RESPONSE TO AND THEY'RE HANDLING 23% OF THE CALLS IN STATION 2'S AREA, WHICH HAS A RIPPLE EFFECT.

THAT'S ESSENTIALLY THE PROBLEM. THE PROPOSAL THAT CHIEF SHANNON MADE ADDING 8 FTE'S AND THE COST FOR TRAINING WOULD COST OVER \$600,000. IT WOULD HAVE BEEN A FULL-TIME BUDGET COST REOCCURRING COST. WHAT THE STANDARD OF DOCUMENT SUGGESTS A THRESHOLD FOR THE NUMBER OF CALLS THAT SHOULD BE HANDLED BY AN ASSET, A COMPANY BEFORE YOU, AND I SAY THIS WITH SOME RISK, THAT THE STANDARDS OF COVERAGE DOCUMENT ACTUALLY SAYS IF YOU HIT THAT THRESHOLD, YOU DO A STUDY. YOU EVALUATE TO DETERMINE WHETHER OR NOT YOU NEED TO DO SOMETHING TO FIX THAT SITUATION. THAT'S THE ACTUAL CRITERIA IN THE STANDARDS OF COVERAGE DOCUMENT THAT WE HAVE ADOPTED. WE ARE CLEARLY AT THAT POINT

WHAT CHIEF HAD PROPOSED IS TO PROVIDE A FIX TO THAT SOLUTION OR SITUATION BEGINNING ON THE 1st OF JULY BY ADDING THAT STAFFING NEXT YEAR. IT IS CERTAINLY NOT AN OPTION. WE WOULD HAVE TO FIND THE MONEY. THE AL TERN CITY IS TO USE ONE- TIME MONEY AND POTENTIALLY COME BACK WITH A FULL-TIME BUDGET IN '14, '15 IF WE DETERMINE THAT'S WHAT IS NEEDED TO EFFECTIVELY ADDRESS THE PROBLEM AND INSURE WE HAVE THE RIGHT ASSETS WHO ARE PRIMARY CALLS. AND THE ALTERNATIVE, FOR \$125,000 FOR INCREASED OVER TIME STAFFING, THIS WOULD ALLOW US TO STAFF ST EQUIVALENT OF TWO STATIONS OR -- AND IT WOULD ALLOW US TO DO THAT WITHOUT ADDING FTE WITHOUT ADDING TO THE EVALUATE: WE CAN BEGIN WITH THE PROCESS AND BRINGING FIREFIGHTERS OUT SIMILAR TO WHAT WE DO WITH POLICE OFFICERS. SO IF --AGAIN THIS WAS NOT NECESSARILY REQUIRING A DECISION ON YOUR PART, THIS ISN'T A RESPONSE TO QUESTIONS ABOUT PROVIDING FURTHER INFORMATION. WE CAN CERTAINLY ENTERTAIN ANY QUESTIONS THAT YOU HAVE OR TAKE ANY DIRECTION AS A RESULT OF THIS.

[Time: 03:09:47]

Mayor Lane: THANK YOU MR. WORTH. IF I UNDERSTOOD WHAT YOU ARE SUGGESTING THE ALTERNATIVE OF ONE-YEAR SOLUTION TO STAFF UP OR TO COVER ADDITIONAL TIME.

Dan Worth: MAYOR, THAT'S CORRECT. THE PROPOSAL IS THAT WE CONTINUE WITH THE EXISTING STAFFING. BUT THE ALTERNATIVE THAT IS BEING OFFERED COSTS \$425,000 IS TO ALLOCATE ADDITIONAL FUNDING IN THE FIRE DEPARTMENT PERSONNEL BUDGETS TO DO OVER TIME, PIPELINE HIRING OR A COMBINATION OF THE TWO, DEPENDING ON WHAT IS DETERMINED AS WE MOVE THROUGH THE YEAR.

Mayor Lane: BUT THE ALTERNATIVE OF USING THE ONE-TIME MONEY THAT WAS TO COVER OVER TIME?

Dan Worth: MAYOR THAT IS CORRECT. IF WE HIRED PIPELINE POSITIONS THAT WOULD ALLOW US TO MAINTAIN ADEQUATE STAFFING LEVELS TO BE ABLE TO HANDLE ALL OF THIS OVERTIME DEMAND. IF WE HAD FIREFIGHTERS TO PART BUT WE CAN'T USE IT TOO ACTUALLY OVER HIRE THE NUMBER OF FIREFIGHTERS WITHOUT MAKING A COMMITMENT TO THE FOLLOWING YEAR.

Councilman Littlefield: WELL, BESIDES THE FACT THAT IF I HEAR THE WORD STUDY ONE MORE TIME MY HEAD IS GOING TO EXPLODE. YOU ALREADY DID THE STUDY YOUR NUMBERS INDICATE THAT THE ABILITY OF STATION 602 TO DEAL WITH THE CALL VOLUME IS DECREASING. YOUR PREVIOUS SLIDE THAT WAS THE STUDY, 99% OF THE CALLS HANDLED TO 77%, THERE YOU GO. NOW, IT IS IRONIC BECAUSE WE HAVE ALL OF THOSE DISCUSSIONS HERE ABOUT THE DIFFERENCE BETWEEN ONE TIME-TIME MONEY AND FIXING THE PROBLEM. WE HAVE DISCUSSIONS ABOUT HOW WE HATE OVER TIME. THE SECOND IRONY HERE IS THAT PART OF THE REASON THAT 602 HAS THIS CALL VOLUME IS BECAUSE THIS COUNCIL KEEPS APPROVING MORE DENSITY AND MORE PEOPLE IN DOWNTOWN. THE IRONY IS I VOTED AGAINST ALL OF THAT AND IT IS HAPPENING WHETHER OR NOT I LIKE IT OR NOT. SO WE HAVE IS TO LIVE WITH THE REALITY. SO WHY WOULD WE SPEND \$425,000 ON OVERTIME? OUR PROBLEM CLEARLY ISN'T TEMPORARY. THIS PROBLEM IS NOT GOING AWAY. THE NUMBER OF PEOPLE LIVING DOWNTOWN AND THE NUMBER OF RESIDENTS NEEDING TO BE SERVED BY 602 IS ONLY GOING TO INCREASE. LET'S JUST STAFF UP AND FIX IT. SO I AM GOING TO MAKE A MOTION AT THAT RATHER THAN USING THE OVER TIME OPTION, WE JUST STAFF 602 UP TO THE LEVEL IT NEEDS TO BE FOR TWO COMPANIES.

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

Councilwoman Milhaven: IT IS INTERESTING DURING THIS BUDGET WE ARE BEING VERY DISCIPLINED AROUND ONE-TIME MONEY WHICH IS WHAT DRAWS ON THE UNRESERVED FUND BALANCE VERSUS ONGOING EXPENSE. WHEN THE LAST TWO BUDGETS WHEN WE WERE IN UNCERTAIN ECONOMIC TIMES WE DIDN'T SEEM TO HAVE A PROBLEM TO BALANCE THE BUDGET WITH THE UNRESERVED FUND BALANCE. SPECIFICALLY KNOW THE FIRST BUDGET I WORKED ON IN THE COUNCIL WE FUNDED A LIBRARY RECOGNIZING WE WERE GOING TO RELY ON UNRESERVED FUND BALANCES. SO I WOULD ARGUE THAT FIRE STATIONS ARE AS, IF NOT MORE IMPORTANT THAN LIBRARIES AND I AM VERY COMFORTABLE DRAWING ON THE UNRESERVED FUND BALANCE TO PERMANENTLY INCREASE STAFFING AT THIS FIRE STATION. I THINK IT IS A GOOD IDEA.

Mayor Lane: MR. SMITH?

[Time: 03: 13:43]

David Smith: MR. MAYOR AND MEMBERS OF COUNCIL, I WAS GOING TO SAY WHAT I HAVE SAID BEFORE AND MAYBE IT IS IN RESPONSE TO SOME OF THE QUESTIONS. IF WE DO INCREASE THE ACTUAL LEVEL OF FUNDING FUNDING ON AN ON-GOING BASIS, THEN WE DO NOT HAVE A BALANCED BUDGET OF REVENUES VERSUS EXPENSES. HISTORICALLY WE HAVE USED THE UNRESERVED FUND BALANCE TO PAY EXCLUSIVELY FOR ONE-TIME EXPENDITURES. WE HAVE NEVER USED IT TO PAY FOR WHAT WE ARE BUILDING INTO THE BUDGET AS ON GOING YEAR AFTER YEAR INCREASES AND LEVELS OF SPENDING.

MY CAUTION OR ADVICE IS IF YOU WANT TO INCREASE THE ABSOLUTE LEVEL OF ON GOING SPENDING BY \$575,000; IT SHOULD BE ACCOMPANIED WITH AN INSTRUCTION TO THE CITY MANAGER TO REDUCE OTHER ONGOING EXPENDITURES BY A LIKE AMOUNT SO THAT THE BUDGET IS BALANCED. THE OPERATING BUDGET IS BALANCED WITHIN \$111,000. THAT IS MEASURED AT A LINE THAT LOOKS AT PREDICTABLE ONGOING INCOME VERSUS PREDICTABLE ONGOING EXPENSES AND IF WE CHANGE AND INCREASE THE PREDICTABLE ONGOING EXPENSES BY THIS AMOUNT OF MONEY, THEN IT WILL NOT BE WHAT WE HAVE TRADITIONALLY USED THE ONE TIME MONEY FOR.

Mayor Lane: THANK YOU, MR. SMITH.

WELL, MAYBE THIS IS NOT NECESSARY TO SAY, BUT WE HAVE USED VERY JUDICIOUSLY THE UNALLOCATED RESERVE FUNDS FOR ONE-TIME USES AND HAVE DONE A BALANCING ELEMENT AND THAT HAS BEEN SPECIFICALLY FOR CAPITAL PROJECTS ONE-TIME MAINTENANCE ISSUES. SO WE HAVE AND ATTEMPT, I SUPPOSE TO DO THE SAME THING HERE AND USE THOSE FUNDS TO PUT OFF FOR ANOTHER YEAR THE ABSOLUTE, THE AVAILABILITY OF THE SUFFICIENT LEVEL OF FUNDS TO FUND THESE ON GOING BASIS. THAT'S THE STRUGGLE. COUNCILMEMBER.

COUNCILMEMBER KORTE: THANK YOU, MAYOR. I SEE CHIEF SHANNON IN THE AUDIENCE. CAN I ASK YOU TO COME UP AND TALK ABOUT A COUPLE OF THINGS FOR ME? THIS AREA OF EVALUATION, WHAT IS THAT?

[Time: 03:16:42]

Chief Shannon: SPECIFICALLY, THE STANDARDS OF COVER THAT THE CITY MANAGER REFERENCED BY THE WAY I THINK HE DID AN EXCELLENT JOB OF GIVING CONTEXT. THE STANDARDS OF COVER IS A GUIDING DOCUMENT THAT THE FIRE SERVICE USES. IT IS A COMPILATION OF BOTH THE ICMA, WHO WE ARE ALL FAMILIAR WITH IN TERMS OF MEASUREMENTS AND BENCHMARKING AND THE CENTER FOR FIRE SERVICE ACCREDITATION AND THOSE TWO CAME TOGETHER AND THEY ESTABLISHED GUIDELINES THAT ALL FIRE DEPARTMENTS CAN USE TO ESTABLISH THE APPROPRIATE STAFFING, THE LOCATION OF THE STATION CONSIDERATION OF DENSITY AND USE. IN 2005/2006, THE COUNCIL AT THAT TIME, MAYOR LANE YOU WERE VICE-MAYOR AT THAT TIME, AND COUNCILMEMBER LITTLEFIELD, YOU WERE PRESENT. AT THAT TIME, IT MADE RECOMMENDATIONS THAT THE CITY MANAGER JUST REFERRED TO YOU. SPECIFICALLY AS IT RELATES TO THOSE DENSELY POPULATED AREAS, THOSE HIGH CALL VOLUME AREAS WHICH ARE DEPICTED IN THE RED. IT REFERENCES THESE AREAS: THOSE FIRST DUE AREAS THAT'S THE CITY MANAGER REFERENCED ARE LITERALLY DRAW DISTANCES BETWEEN STATION IN CONTRAST TO RESPONDS POLYGONS WHICH TELL YOU HOW TO LITERALLY PLAN AND PLACE STATIONS. YOU MIGHT LOOK AT STATION 3 ON MCDONALD AND SAY THAT DOESN'T SEEM TO BE VERY CENTRALLY LOCATED AND LAST YEAR THERE WAS CONSIDERATION BY COUNCIL TO RELOCATE THAT AND THAT WAS BASED ON THE USE OF POLYGONS. SO THE STANDARD OF COVERED DOCUMENT IS THE GUIDING BIBLE, IF YOU WILL, TO HELP US PLANT.

Councilmember Korte: THANK YOU. CAN WE GO BACK TO THAT SLIDE THAT SHOWS YOU THE PERCENTAGE OF CALLS FROM, THE ADDITIONAL COVERAGE? THERE WE GO. THE INCREASE IN COVERAGE OF STATION NO. 601 FROM 3% TO 13% IN ONE YEAR I LOOK AT THAT AS VERY CONCERNING, WHAT'S YOUR OPINION ON THAT?

Chief Shannon: IT IS, I BELIEVE, AN INDICATOR THAT THE LIMITED RESOURCES IN 602 AREA NECESSITATE THE USE OF OTHER RESOURCES FROM OTHER SURROUNDING AREAS. SO AS A RESULT, THE FIRE COMPANY IN THE 601 AREA AT MILLER AND MCDOWELL NEEDS TO COME NORTH TO PROVIDE SERVICES IN 602 SOUTHERN AREA CORRIDOR. SIMILARLY, 603 WOULD DO THE SAME. SO I ATTRIBUTE MUCH OF THAT TO THAT. HOWEVER IT IS NOT ENTIRE PICTURE AS CHIEF DESCRIBED. WHAT IS A SIMPLE ISSUE IS REALLY MORE COMPLEX BECAUSE THERE'S A NUMBER OF CONTRIBUTING

FACTORS. WHAT THAT SLIDE IS SHOWING IS THAT 601 IS COMING INTO THE 602 AREA SUBSTANTIALLY MORE PRIMARILY BECAUSE OF THE ABSENCE OF ANOTHER COMPANY.

Councilmember Korte: CHIEF, WITH PHOENIX, THE AUTOMATIC AID, PHOENIX AT 1% AND JUMPS TO 4% IN ONE YEAR. WAS AN ACCEPTABLE LEVEL OF CALLS FOR THE NEED FOR AUTOMATIC AID FROM OUTSIDE OF THE CITY.

Chief Shannon: THAT'S AN EXCELLENT QUESTION AND REFERS TO THE SWEET SPOT IF YOU WILL THAT THE CITY MANAGER DESCRIBED IN TERMS OF THE BENEFIT OF EVALUATION. THE STANDARDS OF COVER TALKS ABOUT BASE COVERAGE WHICH THE COUNCIL IN 2005/2006 RECOMMENDED WAS TWO COMPANIES OUT OF STATION 602 AND THEN AN INCREASE IN 2000 CALLS PER YEAR WOULD NECESSITATE FURTHER EVALUATION OF THE COMPANIES. WHAT I WOULD SAY TO ANSWER YOUR QUESTION SPECIFICALLY THAT FROM 5 TO 10% INCREASE IN PROVIDING ASSISTANCE, IF YOU WILL, WOULD BE CONSIDERED RELEVANT.

I HESITATE TO GO MUCH MORE FACTUAL BECAUSE THE SYSTEM HASN'T REALLY SET A GUIDELINE IF YOU SURPASS FIVE PERCENT YOU SHALL. THEY SYSTEM REALLY IS AS THE ACTING CITY MANAGER DESCRIBED AS A SHARING OF RESOURCES REGARDLESS OF LOCATION. HOWEVER WHAT THE CRITICAL ISSUE IS HERE IS THAT THE STANDARDS OF COVER IS DESIGNED TO HELP YOU SOLVE THE FIRE SERVICE SITUATION THAT YOUR COMMUNITY HAS AND CONSIDER ANY ADDITIONAL RESOURCES OBVIOUSLY THE AUTOMATIC AID SYSTEM AS AN ENHANCEMENT TO THAT PROCESS.

Councilmember Korte: THANK YOU, CHIEF. AND HAVE YOU GOTTEN A CALL FROM THE PHOENIX POLICE DEPARTMENT REGARDING THE 300% INCREASE.

Chief Shannon: I CERTAINLY HAVE, FIRE CHIEF BOB KOHN AND I MEET OCCASIONALLY. STATION 13 AND STATION 92 ARE OUR CLOSEST NEIGHBORS, THEY HAVE SEEN AN INCREASE AND THE QUESTION FROM THEM IS ALWAYS "WHAT DO YOU ATTRIBUTE THAT TOO?" THEY WERE NOT AWARE OF THE NEED FOR US TO BROWN OUT, IF YOU WILL, OR RELOCATE PERSONNEL RESOURCES TO STATION 8 WHEN IT OPENED AND CERTAINLY WE COULD ATTRIBUTE THAT INCREASE PARTIALLY TO THAT CERTAINLY NOT ALL OF IT JUST AS WE COULD TO STATION THREE OR ONE: BUT I DID GET THAT PHONE CALL.

Councilmember Korte: STATION ONE, THAT IS ONE COMPANY; RIGHT?

Chief Shannon: MAYOR, MEMBERS OF THE COUNCIL, IT IS CURRENTLY ONE COMPANY. IMPORTANT DISTINCTION, THE STANDARDS OF COVER ACKNOWLEDGED AT THAT TIME WHEN STATION ONE WAS FURTHER NORTH, WITH THE OPENING OF STATION TWO AND FURTHER COVERAGE IT MAY BE POSSIBLE TO REDUCE THE NUMBER OF COMPANIES OUT OF FIRE STATION 601 WHICH IS IN FACT WHAT WE HAVE DONE. STATION 601 IS VERY BUSY, BUT WE BELIEVE IT IS MAINTAINING AN EFFECTIVE UTILIZATION OF ONE SINGLE ENGINE COMPANY FOR A FIRST TO AREA, SO WE ARE NOT READY TO SOUND THE ALARM YET ON STATION 601. WE WATCH THE NUMBERS OF CALL FOR SERVICE DAILY. WE CONTRAST THAT WITH THE REST OF THE CITY. DOES THAT ANSWER YOUR QUESTION?

Councilmember Korte: YES. JUST A POINT OF INFORMATION, I JUST MADE A NONPROFIT THAT IS IN THE 602 STATION REGION. IT IS A NONPROFIT SERVING DEVELOPMENTALLY DISABLED. WE OFTEN

CALL 911 BECAUSE OF ISSUES AND OUR FIRE FIGHTERS AND PARAMEDICS ASSIST US. THESE LAST FIVE WORKING DAYS WE HAVE CALLED TWICE AND BOTH TIMES WE HAD INDIVIDUALS FROM 602 AND 601 PARTICIPATING IN THAT CALL. SO I SUPPORT THE MOTION. THANK YOU.

Councilmember Phillips: THANK YOU, MAYOR COUNCILMEMBER KORTE ALREADY ASKED MY QUESTIONS SO THANK YOU.

Councilman Robbins: THANK YOU, MAYOR. I GUESS I WANT TO SUPPORT THE CONCEPT BUT NOT THE MOTION BECAUSE I AM NOT GOING TO INCREASE THE BUDGET WITHOUT FUNDING THE MONEY TO CUT. IF WE TAKE THE MONEY FROM ONE TIME TO HANDLE THE OVERTIME THAT PUTS PRESSURE ON NEXT YEARS BUDGET TO ADD THE 8 FTE'S AND ACADEMY COSTS, BUT I CAN'T ADD ALL OF THAT MONEY WITHOUT TAKING AWAY FROM SOMEWHERE ELSE. I CLEARLY SEE ITS NEED AND I AGREE WITH IT AND WE CAN DEAL WITH IT WITH ONE TIME MONEY BY ADDING MONEY TO THE OVERTIME BUDGET. I'M NOT GOING TO SUPPORT IT IF IT IS NOT GOING TO COME WITH A CUT IN BUDGET FROM SOMEWHERE ELSE. SO THAT IS THE THING. I MEAN WE CAN PROPOSE THIS ALL DAY LONG, BUT SOMEBODY ELSE'S OX HAS HAS TO BE GORED IF WE ADD ON GOING EXPENSES TO THIS. I MEAN SO I WILL MAKE AN ALTERNATE MOTION WE ADD \$425,000 TO THE OVERTIME BUDGET SO THAT WE RETURN STAFFING TO THE FIRE STATION 602 FOR 2011-2012 LEVELS.

[Time: 03:26:00]

Mayor Lane: I WILL SECOND THAT AND I WILL SPEAK TO IT AS WELL. TRULY, COMPLETELY IN LINE WITH COUNCILMAN ROBBINS. THERE'S AN ISSUE AND CERTAINLY SOMETHING WE WANT TO ATTEND TO, BUT AS I WAS SAYING EARLIER, I THINK IT IS REALLY INCUMBENT UPON US TO MAKE SURE WE ARE NOT SACRIFICING OR AT LEAST WITHOUT KNOWING EVEN TO WHAT EXTENT AND WHAT ELSE WOULD HAVE TO BE SACRIFICED ON A STRUCTURAL BUDGET CHANGE AS IT WOULD BE IF WE STAFFED UP TO IT AT THIS POINT IN TIME.

IT IS ALWAYS WITH THE HOPE NEXT YEAR WILL BRING A BRIGHTER PICTURE. I DON'T KNOW WITHIN THE MEANTIME IF IT WOULD CHANGE OR NOT. BUT THAT'S ANOTHER THING. IT WILL BE OTHER ISSUES AND OTHER HOPEFULLY OTHER GROWTH IN THE ECONOMY ON THE BASIS OF ALL THE WORK WE HAVE DONE AND ON THE DEVELOPMENT. AND I WOULD SAY WE COULD GO TO VOTE ON THE ALTERNATIVE MOTION UNLESS COUNCILMAN HAS SOMETHING NEW ADD.

Councilman Littlefield: WELL, BASIC PRINCIPLE OF BUDGETING, YOU SPEND ONE TIME MONEY TO SOLVE ONE TIME PROBLEM; THIS IS A ONE-TIME PROBLEM. IT IS GETTING WORK. WE ARE MOVING MORE PEOPLE INTO TOWN DOWN AND BUILDING MORE BARS DOWNTOWN WHICH CREATES MORE DEMAND FOR MEDICAL SERVICES HOPEFULLY NOT FIRE SERVICES. IS THERE ANY CONCEIVABLE SCENARIO UNDER WHICH THE DEMAND ON STATION 602 WOULD DECREASE IS THIS NO. THERE'S NO CONCEIVABLE SCENARIO. SO THE ANSWER IS THIS IS CLEARLY AN ON GOING PROBLEM SO IT NEEDS AN ON GOING FIX. THAT'S WHY I AM GOING TO POSE THE COUNCILMAN ROBBINS MOTION HOPEFULLY THAT WILL LOSS AND WE WILL PASS THE ORIGINAL MOTION.

Councilmember Robbins: WHERE IS THE MONEY GOING TO COME FROM BECAUSE WE DON'T HAVE IT? COMPLETELY FISCAL IRRESPONSIBLE TO A DEFICIT SPEND. SO IF WE ARE GOING TO DO THIS AND MAKE IT ON-GOING WE ARE IN A DEFICIT SPENDING, I THOUGHT WE WERE AGAINST THAT AND FOR A

BALANCED BUDGET. I AGREE WE NEED TO HAVE THIS ACCOMPLISHED BUT NOT IN AN ON GOING BASIS UNTIL WE GET TO A DIFFERENT BUDGET CYCLE.

Mayor Lane: SO I WILL CALL FOR THE QUESTION ON THIS AND MOVE FORWARD ON IT. THE ALTERNATIVE MOTION, ALL OF THOSE IN FAVOR PLEASE INDICATE BY AYE. I AM SORRY, THAT MOTION FAILS AS IS INDICATED. SO WE HAVE THE ORIGINAL MOTION ON THE TABLE.

Vice Mayor Klapp: COULD I HEAR THE MOTION AGAIN. I AM HEARING COUNCILMAN LITTLEFIELD SAY IT IS ON GOING PROBLEM, BUT IS HE SAYING THE MONEY IS COMING FROM GENERAL FUNDS OR IS IT COMING FROM ONE TIME FUNDS IN HIS MOTION.

Councilman Littlefield: FOR THE FIRST YEAR IT HAS TO COME FROM THE UNRESERVED FUND BALANCE. MY MOTION WAS THAT WE NOT SOLVE THAT WITH OVERTIME, THAT WE STAFF 602 UP TO TWO COMPANIES, WHICH WAS \$575,000.

Vice Mayor Klapp: WITH IT COMING FROM UNRESERVED FUND BALANCE.

Mayor Lane: SO, ONE TIME FUNDS. SO IF THEY ARE NOT SUPPORTED IN THE FOLLOWING YEAR THAT THEY WILL BE LET GO. I'M JUST SAYING IF YOU ARE TALKING ABOUT HIRING PEOPLE ON ONE TIME FUNDS. I WOULD ASK THE CITY MANAGER IF WE HIRE ON STAFFING DOES THAT CONSTITUTE A BUDGET CHANGE OR IS IT A ONE-TIME EXPENDITURE?

Dan Worth: WE CAN USE THE UNRESERVED FUND BALANCE FOR THE FIRST YEAR TO PAY FOR THAT BUT IF WE ADD FTES INTO THE CITY'S OVERALL BUDGET, THAT WOULD INCLUDE THE BASE BUDGET THAT WE PUT TOGETHER NEXT YEAR PRESUMABLY FOR THE BUDGET PROPOSAL. WE WOULD BE COUNTING ON INCREASING REVENUES ENOUGH OR ACHIEVING SAVINGS ENOUGH NEXT YEAR.

Mayor Lane: SO WE WOULD ACTUALLY HAVE A STRUCTURAL CHANGE IN THE BUDGET.

Dan Worth: THAT'S CORRECT.

Mayor Lane: SO WE WOULD ONLY BE JUST USING THOSE FUNDS, NEVERTHELESS WE HAVE A STRUCTURAL CHANGE. THIS IS A HYBRID; WE DO NOT HAVE TO FIND ANOTHER SOURCE OF FUNDS. WE JUST USE THIS AND PLAY THE GAME NEXT YEAR. MR. SMITH?

[Time: 03:32:32]

David Smith: YOU CAN DO WHAT YOU ARE TALKING ABOUT DOING YOU CAN SPEND THIS MONEY TO HIRE PEOPLE, BRING THEM ON AND BE TOTALLY PREPARED TO LET THEM GO NEXT YEAR BUT THERE'S NOT ANY MONEY. WE DON'T USUALLY FOCUS ON THE YEAR AFTER NEXT IN THE BUDGETING PROCESS BUT YOU RECALL I DID FOCUS YOUR ATTENTION ON 14/15 AS WE WENT THROUGH THE BUDGET. IF YOU RECALL, YOU WILL REMEMBER THAT THERE WAS A VERY SMALL BALANCE ON AN ON GOING BASIS. THAT WAS OF COURSE ASSUMING WE FOUND \$2 MILLION OF REVENUES AT WESTWORLD AND IT WAS ASSUMING WE DIDN'T HAVE ANY OTHER NEED-TO-DO ITEMS IN THE BUDGET. SO I GUESS I WOULD CAUTION YOU TO A CERTAIN EXTENT TO KEEP ON EYE ON THE YEAR AFTER NEXT BECAUSE IT WILL COME AROUND FASTER THAN YOU THINK. THIS WILL BE A STRUCTURAL CHANGE. IT IS NOT ONE-

TIME MONEY IN THE SENSE THAT YOU ARE BRINGING SOMEBODY ON TO THE PAYROLL AND INCREASING THE FTE COUNT, YOU ARE GETTING SOMEBODY A JOB.

Councilman Littlefield. WE ALL AGREE PUBLIC SAFETY IS THE MOST IMPORTANT JOB OF THE CITY AND NUMBER ONE IN BUDGET, HOW ABOUT NEXT YEAR, WE LOOK AT PUBLIC SAFETY ISSUES FIRST BEFORE WE LOOK AT OTHER ISSUES SO THAT WE CAN THEN TAKE CARE OF PUBLIC SAFETY AND DO WHAT WE NEED TO DO. AS WE GO DOWN THE CHAIN, THE THINGS LESS IMPORTANT, MAYBE NOT SPEND MONEY ON SOMETHING ELSE. HERE WE HAVE A SITUATION WHERE WE HAVE THE TAIL WAGGING THE DOG. WE ARE AT THE END OF THE BUDGET CYCLE AND WE ARE TALKING ABOUT PUBLIC SAFETY ISSUES. MAYBE NEXT YEAR WE SHOULD STRUCTURE THE PROCESS SO WE ACTUALLY CONSIDER THE MOST IMPORTANT STUFF FIRST AND CONSIDER THE LEAST IMPORTANT STUFF LAST. WE WOULDN'T BE FACED WITH THOSE QUESTIONS. I SAY AGAIN, IT IS A STRUCTURAL CHANGE BUT ONE THAT NEEDS TO BE MADE THAT'S THE JOB OF THE CITY, TO PROTECT PEOPLE, ESPECIALLY THOSE IN 602'S SERVICE AREA.

Mayor Lane: THANK YOU, COUNCILMAN. WE STARTED WORKING WITH NOW ONE-TIME MONEYS TO AFFECT A STRUCTURAL BUDGET CHANGE. SOMETHING HAS TO BE ACCOMMODATED IN THE FOLLOWING YEAR ONE WAY OR THE OTHER. IT HAS TO BE ABSORBED INTO IT. WE ARE FUNDING IT WITH UNALLOCATED FUNDS.

Vice Mayor Klapp: I THINK YOUR COMMENT ABOUT THIS BEING A HYBRID IS PROBABLY TRUE, AND BECAUSE I HATE OVERTIME SO MUCH, I THINK I WILL EVEN THOUGH I SUPPORTED THE LAST MOTION, I AM GOING TO SUPPORT THIS ONE BECAUSE IT IS ONE-TIME FUNDS OUT OF THIS YEAR'S BUDGET SO I WILL BE SUPPORTING THE NEXT MOTION.

Mayor Lane: THANK YOU. NO FURTHER COMMENTS ON THIS AND WE DO HAVE A MOTION. WE DO HAVE THE FIRST MOTION PRIMARY ON THE TABLE. WE ARE READY THEN TO VOTE. ALL THOSE IN FAVOR OF THE MOTION ON THE TABLE PLEASE INDICATE AYE, THOSE OPPOSED NAY THE MOTION PASSES 5-2, AS INDICATED. ALL RIGHT, THAT TAKES CARE OF ALL BUT NO. 6 ON ITEM 14.

[Time: 03:37:00]

Dan Worth: MAYORS AND MEMBERS OF COUNCIL I WILL BRING THE FIRE MARSHALL, CHIEF JIM FORD, UP TO TALK ABOUT THIS ONE INDIVIDUAL POSITION IN THE DEPARTMENT. AGAIN, IS SOMETHING THAT WAS NOT INCLUDED IN THE PROPOSED BUDGET AND I BELIEVE IT WAS THE VICE MAYOR THAT ASKED US TO BRING FORWARD ADDITIONAL INFORMATION AND THE JUSTIFICATION FOR THE POSITIONS. WITH THAT I WILL OVER IT OVER TO CHIEF FORD.

Chief Jim Ford: MAYOR, MEMBERS OF COUNCIL, I AM THE DEPUTY CHIEF FIRE MARSHAL FOR THE CITY OF SCOTTSDALE. FIRST I APOLOGIZE FOR NOT BEING HERE AT THE LAST COUNCIL MEETING. I WAS STUCK IN THE AMERICAN AMERICANS SNAFU WITH THEIR COMPUTERS I WAS STUCK IN CHICAGO. I APOLOGIZE FOR NOT GETTING BACK. WHAT I WOULD LIKE TO DO IS JUST ANSWER YOUR QUESTIONS ABOUT THE POSITION WE PROPOSED WHICH IS THE DEPUTY FIRE MARSHAL POSITION. WHEN THE DOWNTURN IN THE ECONOMY OCCURRED, AND COUNCIL ASKED DEPARTMENTS TO GIVE UP POSITIONS WE ALSO GAVE UP POSITIONS IN THE FIRE LIFE SAFETY DIVISION WHICH IS THE PART THAT DOES THE FIRE LIFE SAFETY INVESTIGATIONS AND FIRE INSPECTS AND C OF O'S. WE GAVE BACK A

FULL-TIME POSITION AND HAD IT TRANSFERRED TO ANOTHER SPOT. WE WERE ABLE TO BECAUSE OF THE DOWNTURN IN THE ECONOMY AND THE DOWNTURN IN NEW CONSTRUCTION. EACH INSPECTOR POSITION THAT I HAVE DOES ABOUT 8 HUNDRED INSPECTIONS PER YEAR OF TYPES OF ALL DIFFERENT TYPES OF INSPECTIONS. SO I WENT FROM 9 TO 8 INSPECTORS. WHAT DO THEY DO? WE TRY TO PRIORITIZE THEIR ACTIVITIES AND THAT IS WHAT WE HAVE DONE OVER THE LAST TWO OR THREE YEARS. THE TOP PRIORITY FOR US IS A CERTIFICATE OF OCCUPANCY FOR THE BUSINESSES FOR THEIR COMPANY OPENING. WE ARE STILL DOING CERTIFICATE OF OCCUPANCY, THEY'RE FINAL FIRE INSPECTION IN 24 HOURS, WE WORK AND DO EVERYTHING WE CAN TO GET THAT PERSON OUT THERE IN 24 HOURS AND SO THE BANK AND ALL OF THAT OTHER STUFF GOES THROUGH. BUT LEADING UP TO THE CERTIFICATE OF OCCUPANCY INSPECTION, IS ALL OF THE OTHER LIFE SAFETY INSPECTIONS THAT HAVE TO OCCUR. WHEN YOU BUILD A NEW BUILDING YOUR ALARMS, YOUR SPRINKLER, EXITING, ACCESS, INSPECTIONS. WHAT'S OCCURRED BY LOSING THAT POSITION OVER THE IS THE LAST COUPLE YEARS IS THE TIME FRAME FOR THE BUSINESS COMMUNITY TO GET THOSE INSPECTIONS HAS GONE FROM ONE TO TWO DAYS WHICH IS WHERE WE HAVE TRADITIONALLY BEEN NOW OUT TO THREE OR FOUR DAYS SOMETIMES A LITTLE LONGER IF WE HAVE TO DO A LITTLE TRAINING. THAT HAS DELAYED SOME OF THE CONSTRUCTION SO WE GIVE THEM THE OPPORTUNITY FOR OVERTIME BECAUSE THEY COULDN'T GET THE INSPECTIONS DOWN 113 TIMES. THAT'S UP FROM 39 TIMES JUST IN 2009, 2010. SO WE ARE COSTING THE BUSINESS COMMUNITY A LITTLE BIT MORE BY GIVING THEM THAT EXTRA SERVICE THEY ARE WILLING TO PAY FOR. THE SECOND THING IS THE HIGH HAZARD OF THE TARGET INSPECTIONS AND WAS MENTIONED WITH THE CHANGES IN THE COMMUNITY, SOME OF THE STUFF GOING ON DOWNTOWN, IS THE HIGH RISK INSPECTIONS, THE BARS AND NIGHTCLUBS, OUR HAZARDOUS MATERIAL SITES, OUR SCHOOLS, NURSING HOMES, THOSE ARE OUR HIGH HAZARD OCCUPANCIES.

THIS PAST YEAR BECAUSE OF THE STRESS ON THE DEPARTMENT AND INSPECTORS WE HAVE ABOUT 1800 OF THOSE TYPES OF HIGH RISK SITES IN SCOTTSDALE. WE ONLY WERE ABLE TO DO I BELIEVE IT IS 23% OF THOSE THIS YEAR. WE DIDN'T DO 1,300 OF THOSE INSPECTIONS. THE OTHERS WERE THE SPRINKLER AND ALARM TEST, THE GENERAL COMMERCIAL OCCUPANCY, THE SPECIAL EVENTS AND OTHER ISSUES LIKE THAT AND THEN WE STILL DO INSPECTIONS FOR THE REVENUE. THOSE ARE PUSHED OUT. THIS IS JUST A QUICK OVERVIEW OF THE INSPECTION ACTIVITIES. OUR INSPECTION ACTIVITIES WERE ABLE TO STAY UP A LITTLE BIT. THIS IS WHERE WE STARTED SEEING THE NUMBERS GO UP ON OVERTIME INSPECTIONS. THE PAST YEAR, THE CERTIFICATE OF OCCUPANCY AT THE TOP ON 12/13 HAS GONE BACK TO A LITTLE OVER 1,000 WHICH IS WHERE WE WERE IN 2008/09 THE YEAR BEFORE WE STARTED SEEING SOME OF THE DECREASE. BUT THE BIG POINT ON THAT IS THE TARGET INSPECTION HAS GONE FROM A LITTLE OVER A THOUSAND DOWN TO 400 HUNDRED. IT HAS DROPPED IN HALF. THEY'RE NOT GETTING VISITED BY MY FIRE INSPECTION OR FIRE PREVENTION FOLKS.

WHAT IS THE ADDITIONAL IMPACT IT IS 800 STOPS. WE REDUCED THE WAITING TIME FOR THE DEVELOPMENT INDUSTRY FROM 3 TO 4 DAYS BACK TO THE ONE TO TWO DAYS THEY HAVE BEEN USED TO PREVIOUS TO THE REDUCTIONS HERE. WE WILL REDUCE THE NUMBER OF OVERTIME INSPECTIONS FOR THE INDUSTRY. WE WILL GET BACK INTO THE HIGHER RISK INSPECTIONS. AGAIN I KNOW IT HAS BEEN A LONG NIGHT. I DON'T WANT TO GO ON, BUT I DO BELIEVE IT IS A VERY MUCH NEED, YOU CAN DO IT NOW OR YOU CAN DO IT LATER BUT, SCOTTSDALE HAS A HISTORY A LONG HISTORY OF BEING PROACTIVE AND IN OUR HIGH RISK AREAS AND IT HAS PAID HUGE DIVIDENDS TO US. WE DON'T END UP ON CNN VERY OFTEN BECAUSE OF THE FIRE PREVENTION BUREAU AND THE RESPONSE AFTERWARDS.

[Time: 03:43:17]

Mayor Lane: THANK YOU JIM. GO BACK TO WHERE YOU TALKED ABOUT YOUR HIGH HAZARD TARGETED INSPECTIONS, OUT OF THE 1811 SITES IN SCOTTSDALE ALMOST 1400 OF THOSE WERE NOT INSPECTED, NOT QUITE 23% THAT WERE NOT INSPECTED.

Jim Ford: THAT'S CORRECT. LAST YEAR WE DIDN'T DO 77% TRADITIONALLY UNTIL THIS LAST YEAR WE WERE ABLE TO GET INTO SOMEWHERE BETWEEN 55% TO 60%, SOME OF THOSE, WE DROPPED THAT OFF FROM THE 60% WAS THE HIGH LEVEL DOWN TO NOW 23%.

Mayor Lane: THE POSITION HAS BEEN ABSENT FOR A NUMBER OF YEARS THOUGH; RIGHT? IS THERE SOMETHING IN PARTICULAR THAT TOOK IT FROM 55% DOWN TO 23%?

Jim Ford: YES. IT'S THE INCREASE WE ARE SEEING IN LAST TWO YEARS IN CONSTRUCTION ACTIVITY WHICH IS THE HIGHER, THE TOP OF THE CERTIFICATE OF OCCUPANCY CONSTRUCTION DEVELOPMENT COMMUNITY. THAT WENT FROM 800 TO 1809 CERTIFICATE OF OCCUPANCY INSPECTIONS. SO THAT TREND IS GOING BACK UP AS NEW CONSTRUCTION IS GOING UP SO WE ARE BEING ASKED TO DO THOSE IN 24 HOURS AND THAT RESULTS IN MY FOLKS NOT BEING AVAILABLE TO DO THE HIGHER RISK TARGET INSPECTIONS BECAUSE IT IS DEVELOPMENT COMMUNITY AGAIN AND TRYING TO SURFACE THEM.

Mayor Lane: SO IN ALL CATEGORIES OTHER THAN HIGH HAZARD AREAS WE HAVE SEEN LESS OF AN ABILITY TO RESPOND TO THESE INSPECTIONS.

Jim Ford: YES, WHAT HAS HAPPENED, IF YOU ARE TRYING TO GET A BUSINESS FOR OPEN FOR EXAMPLE YOU CALL FOR AN INSPECTION TYPICALLY YOU WOULD GET IT WITHIN ONE TO TWO DAYS, C OF O'S IN 24 HOURS. THE OTHER ONE IS ONE TO THREE DAYS FOR YOUR SYSTEMS NOW IT IS OUT TO THREE OR FOUR DAYS, SO IF YOU CALL UP, AND SAY I NEED TO HAVE AN INSPECTOR COME AND DO MY PRESSURE TEST ON MY SPRINKLER SYSTEM BEST TEST BECAUSE I AM DOING AN IMPROVEMENT, IT WILL BE 3 OR 4 DAYS OUT BECAUSE WE DON'T HAVE THE CAPACITY TO DO IT THAT QUICKLY ANYMORE.

Mayor Lane: THANKS. THERE'S A GOOD REPRESENTATION OF THE FACTS AS FAR AS THE CONDITION OF NEED. COUNCILMAN LITTLEFIELD.

Councilman Littlefield: ARE YOU LOOKING FOR COUNCIL DIRECTION ON THIS? OR HAVE YOU ALREADY DECIDED TO DO THIS.

Dan Worth: SIMILAR TO THE LAST ITEM, THE DECISION AS IT STANDS RIGHT NOW IS WE DEFER THIS AND DON'T INCLUDE IT IN THE FISCAL YEAR 2013/14 BUDGET. IF YOU WISH TO DO SOMETHING ELSE YOU WOULD GIVE US THAT DIRECTION.

Councilman Littlefield: WHAT WOULD SOMETHING ELSE BE?

Dan Worth: TO FUND THE POSITION FOR ABOUT \$110,000 AND THAT WILL OFFER UP 2 ALTERNATIVES THAT COULD PAY FOR THAT. WE COULD EITHER PAY FOR IT THE SAME WAY WE JUST DID FOR 8 POSITIONS AND USE ONE-TIME FUND AND THEN ACCEPT A DEGREE OF RISK TO KEEP IT IN THE BUDGET NEXT YEAR. THE SECOND ALTERNATIVE WOULD BE TO PULL BACK ON ONE OF THE GENERAL FUND FUNDED POSITIONS CURRENTLY IN THE PROPOSED BUDGET TO BE ADDED. THERE ARE THREE THAT AFFECT THE GENERAL FUND COST, ONE FOR PUBLIC WORKS, ONE FOR INFORMATION TECHNOLOGY, AND ONE FOR HUMAN RESOURCES, THE POSITION THAT COUNCILMAN ROBBINS REFERRED TO EARLIER TONIGHT. WE COULD PULL BACK ON EITHER ONE OF THOSE TO FILL THIS POSITION IF WE FELT THAT WAS A HIGHER PRIORITY.

Vice Mayor Klapp: SINCE THIS IS NOT VERY MUCH MONEY AND WE ALREADY AGREED THAT THERE'S \$111,000 THAT HAS TO BE FOUND SOMEWHERE COULD YOU FIND ANOTHER \$100,000 OR WHATEVER THIS TAKES WITHOUT HAVING TO ELIMINATE ONE OTHER? IT SEEMS LIKE THIS IS SUCH A TINY AMOUNT OF OUR TOTAL BUDGET THAT THERE SHOULD BE A WAY THIS COULD BE FOUND WITH US HAVING TO ELIMINATE ONE OF THE OTHER POSITIONS, THIS SMALL AMOUNT OF MONEY SEEMS SILLY. SO MY QUESTION IS CAN YOU FIND THE ADDITIONAL MONEY IN THE BUDGET SOMEWHERE TO FUND THIS PARTICULAR POSITION.

[Time: 03:48:11]

Dan Worth: I WOULD ANTICIPATE IF WE ADDED THIS IN WE WOULD BE IN A SITUATION SIMILAR TO WHAT WE HAVE WITHIN IN THE PREVIOUS YEARS WHERE WE TECHNICALLY WE ARE COUNTING ON ACHIEVING SAVINGS AND EXECUTION AS WE GO THROUGH THE YEAR. Our TRACK RECORD OVER THE PAST SEVERAL YEARS, WE ARE SURLY GOING TO SAVE OVER \$110,000 IN SAVINGS AS WE EXECUTE THE BUDGET.

Vice Mayor Klapp: THEN I WOULD LIKE TO MAKE A MOTION THAT WE FUND THIS POSITION FOR A TOTAL COST OF \$110,406, COMING OUT OF THE BUDGET, NOT ONE-TIME FUNDS.

Mayor Lane: MOTION MADE AND SECOND. WOULD YOU LIKE TO SPEAK TO IT? NO FURTHER COMMENT ON IT. I WOULD HAVE TO SAY THAT THIS GETS INTO THAT SQUIRRELY AREA AND WE HAVE A STRUCTURAL BUDGET ITEM THAT WE HAVE TO DEAL WITH NEXT YEAR, AND I SUPPOSE THAT'S ONE OF THE THINGS REALLY TO BE TRUE TO OURSELVES IS WE WILL HAVE TO SORT OF LOOK FORWARD IT NOT BEING IN THE BUDGET NEXT YEAR AND REQUESTING IT AGAIN. HOPEFULLY WE CAN FIND THE FUNDS. MR. WORTH IS THAT SOMETHING THAT WE CAN EMPLOY?

Dan Worth: MAYOR, YOU CAN CERTAINLY EMPLOY THAT STRATEGY ALTHOUGH AS WE JUST DISCUSSED WITH THE LAST ITEM YOU ASSUME A DEGREE OF RISK THAT WE WILL BE ABLE TO FIND ROOM IN THE BUDGET EITHER THROUGH AN INCREASE IN PRODUCTION OR AN INCREASE IN REVENUE.

Mayor Lane: ONE WAY OR ANOTHER THESE ITEMS WILL BECOME A HIGHER PRIORITY THAN ANY OTHER THAT COMES THROUGH THE FOLLOWING FISCAL YEAR. I GUESS THAT ONLY BECAUSE THEY'RE THERE.

Dan Worth: THAT'S CORRECT. IT WILL BE IN THE BUDGET, THEY WON'T BE COMPETING WITH OTHER PRIORITIES TO GET INTO THE BUDGET.

Mayor Lane: ALL RIGHT. THANK YOU.

Councilman Littlefield: WELL, TWO POINTS. FIRST OF ALL ONCE AGAIN, THIS IS WHAT WE GET FOR CONSIDERING IMPORTANT PUBLIC SAFETY ITEMS AT THE END TESTIFY PROCESS INSTEAD OF THE BEGINNING. WE NEED TO FIX THAT NEXT YEAR BECAUSE HERE WE ARE AGAIN WITH SOMETHING THAT'S IMPORTANT. IT IS A SAFETY ITEM NOT A CONVENIENCE ITEM. WE NEED IT AND YET WE ARE ARE TALKING ABOUT HOW ARE WE GOING TO PAY FOR IT. I WOULD LIKE TO POINT OUT THAT THIS COUNCIL HAS BEEN VERY, VERY BUSY APPROVING MORE RESIDENTS AND BUILDING. IF YOU DO THAT YOU HAVE TO PAY THE PRICE, THIS IS ONE PRICE WE PAY WHEN WE APPROVE THESE NEW BUILDINGS AND APARTMENT HOUSES. SO JUST A LITTLE FOOD FOR THOUGHT. THERE'S NO FREE LUNCH. THIS IS THE COST FOR THAT AND YOU CAN'T SUPPORT BUILDING TONS OF NEW APARTMENTS AND THEN NOT TURN AROUND AND FUND THIS POSITION AND NOT MAKE SURE THAT IT'S SAFE.

[Time: 03:51:32]

Councilman Phillips: I WILL BE SUPPORTING VICE MAYOR KLAPP'S MOTION. I AGREE WITH COUNCILMAN LITTLEFIELD, WITH 10,000 APARTMENTS IN THE PIPELINE WE WILL NEED 2 INSTEAD OF 1. INSTEAD OF LOOKING AT NEXT YEAR AS MIGHT NOT BE ABLE TO HAVE ONE, WE MIGHT BE LOOKING AT TRYING TO FIND ADDITIONAL FUNDS FOR ANOTHER ONE. IT IS SOMETHING WE NEED. I AM KIND OF IN THE BUSINESS AND I UNDERSTAND WAITING FOR GUYS TO SHOW UP AND GIVE US OUR C of O. SO IT IS A VERY IMPORTANT THING. IT IS JUST GOING TO GET WORSE AND WORSE AND WORSE. AS COUNCILMAN LITTLEFIELD SAID, AND I AGREE, THE NEXT TIME WE DO THE BUDGET, PUT PUBLIC SAFETY FIRST AND WORK FROM THERE AND WON'T HAVE THESE DISCUSSIONS.

Mayor Lane: THANK YOU, COUNCILMAN AND VICE MAYOR.

Vice Mayor Klapp: IT IS NOT ALL APARTMENT BUILDINGS AND OTHERS THAT ARE BEING BUILT. THERE'S A LOT OF SMALL BUSINESSES THAT ARE GOING INTO RETAIL CENTERS. SO THIS IS WHY I WAS INTERESTED IN IT AT FIRST. I KNOW FROM EXPERIENCE AND IN MY BUSINESS AND OTHER PEOPLE DOING BUILD-OUTS, AND SMALL BUSINESSES, THESE ARE 2,000 SQ. FOOT BUSINESSES, THEY ALL HAVE TO BE INSPECTED TO OPEN. WHEN YOU ARE A SMALL BUSINESS AND YOU CAN'T OPEN THE DOOR, EVERYDAY COSTS YOU MONEY. MY INTENTION IS ENCOURAGE BUSINESSES IN SCOTTSDALE AND BE AS BUSINESS FRIENDLY AS POSSIBLE AND HAS NOTHING TO DO WITH THE BIG GUYS. IT'S REALLY THE LITTLE GUYS FOR ME.

Mayor Lane: OBVIOUSLY THE VERY THING THAT WE WERE TALKING ABOUT ADDS TO THE NEED THAT WE HAVE HERE IS A GROWING NEED IS AN IMPROVING ECONOMY THAT ALLOWS US TO PROVIDE ALL THE SERVICES ACROSS THE CITY IN THE KIND OF FASHION WE WOULD LIKE TO SEE HERE. SO IT IS NOT JUST A DIRE CONSEQUENCE HERE ON ANY KIND OF GROWTH ON ANY LEVEL IN REGARD TO OUR BUSINESSES OR OUR DEVELOPMENT ON ANY LEVEL SO I GUESS WITH THAT THERE'S NO FURTHER COMMENTS ON THE ITEM WE ARE READY THEN TO VOTE. ALL THOSE IN FAVOR OF A MOTION PLEASE VOTE BY AYE OR NAY IF YOU OPPOSE MOTION PASSES 5-2.

Councilwoman Milhaven: I WOULD LIKE TO ASK A QUESTION. I HAVE OUR FINANCIAL POLICIES HERE, AND I UNDERSTAND THE PART THAT SAYS THE GENERAL FUND STABILIZATION, THAT'S THE RESERVE

GENERAL FUND BALANCES. BUT I ALSO SEE THAT BY PRACTICE, WE HAD FIVE MILLION DOLLARS IN CONTINGENCY BUT I DON'T SEE THAT IN OUR FINANCIAL POLICY SO IS THAT FIVE MILLION DOLLARS CONTINGENCY PART OF POLICY OR IS THAT JUST GENERAL PRACTICE.

David Smith: I THINK IT IS POLICY BUT I DIDN'T BRING THE POLICY.

Councilwoman Milhaven: BECAUSE I HAVE BEEN LOOKING OVER IT AS WE HAVE BEEN TALKING AND I DON'T SEE IT.

David Smith: LET ME HAVE THE EXPERT RESPOND TO YOU.

Judy McIlroy: MAYORS AND MEMBERS OF THE COUNCIL THAT IS NOT PART OF THE FINANCIAL POLICIES. IT IS PART OF OUR PRACTICE.

Councilwoman Milhaven: SO IF THERE'S CONCERN ABOUT ONE-TIME VERSUS NOT ONE-TIME, WE MIGHT CONSIDER JUST REDUCING THE SIZE OF CONTINGENCIES TO MATCH UP THE FUNDING SO I'M NOT SUGGESTING THAT WE HAVE TO DO THAT I'M JUST OFFERING THAT AS AN OPTION. THANK YOU.

[Time: 03:55:35]

Mayor Lane: THANK YOU, COUNCILWOMAN. THAT COMPLETED ITEM 14, WE WILL MOVE ON TO ITEM 15.

Derek Earle: MAYOR, I THINK I AM THE TAIL END OF ITEM 14.

Mayor Lane: YES, I'M SORRY I DID NOT MEAN TO LEAVE YOU OUT OF THAT. OKAY ITEM 6 WITHIN ITEM 14. PLEASE, GO AHEAD.

Derek Earle: MAYOR, MEMBERS OF THE COUNCIL, AT THE PREVIOUS MEETING ON THE BUDGET ON APRIL 16th, THERE WERE REQUESTS MADE FROM COUNCIL FOR ADDITIONAL INFORMATION TO BE BROUGHT BACK OR ACTIONS TO BE TAKEN BUT THE FIRST WAS AN ACTION TO ADD A PUBLIC ART ENTRY FEATURE AT THE MARSHAL WAY ENTRY OFF INDIAN SCHOOL ROAD TO BE FUNDED BY BED TAX FUNDS SINCE IT HAS BEEN DONE. SO I WILL BE DOING, I WILL BE SPENDING THE BALANCE ON THE BOTTOM THREE ITEMS PROVIDING ADDITIONAL INFORMATION THAT COUNCIL HAD REQUESTED.

THE FIRST ITEM, COUNCIL REQUESTED AN UPDATE ON THE SCOTTSDALE STADIUM IMPROVEMENTS A FAS AS WHAT IT ENCOMPASSED AND WHAT THE URGENCY WAS. AS YOU CAN SEE THIS IS THE ACTUAL COST IS \$951,000, THIS WOULD REPLACE 1200 SEATS IN THE STADIUM THAT ARE DETERIORATING. IT WILL UPDATE ROOF STADIUM AND FIELD DRAINAGE SYSTEMS TO REDUCE FLOODING OF THE CLUBHOUSE LOCKER ROOM AREAS. AND THE OTHER ITEM, IT WILL MAKE MODIFICATIONS TO THE DUGOUT TO ALLOW FOR EXPANDED MAJOR LEAGUE ROSTERS AND SEATING AREAS AND UP GRADING OF THE ADDITIONAL SEATING AREAS, PROVIDING ADDITIONAL PROTECTION TO THE PLAYERS.

AS FAR AS PRIORITIES AS WHY THIS PROJECT IS HERE AS BEING REQUESTED FROM THE GENERAL FUND CIP PROJECT IS THAT WE HAVE RECOGNIZED IN LAST COUPLE MONTHS THE DETERIORATION OF SEATS, AND SO THE PROGRAM WE ARE TRYING TO GET THESE SEATS AND DRAINAGE REPLACED BEFORE FALL

BALL WHICH EVENTUALLY LEADS INTO SPRING TRAINING. --THESE SEATS ARE 20 YEARS OLD; THE STADIUM WAS BUILT IN 1992. AS YOU CAN SEE WITH THE STRESS CRACKS PROBABLY A GOOD SIZE SEAT ON THE CHAIRS WOULD PROBABLY GO RIGHT THROUGH THEM. WE HAVEN'T HAD FAILURES YET. BUT FIVE YEARS AGO WE DID DO A REPLACEMENT OF SEATS AND THESE ARE IN ADDITION. OVER 20 YEARS THESE HAVE DETERIORATED DUE TO SUN LIGHT AND EXPOSURE.

THE OTHER ITEM WHICH IS REALLY KEY TO THIS IS DRAINAGE IMPROVEMENT. TWO TIMES LAST YEAR AND THIS WAS NOT THE ONLY TIME. TWO TIMES LAST YEAR, BY THE NATURE OF THE WAY THE STADIUM IS BUILT AND THE ROOF AND DRAINAGE SYSTEMS, WHEN WE HAVE HEAVY DOWN POOR, THE WATER FINDS ITS WAY INTO THE LOCKER ROOMS AND CLUBHOUSE FOR THE GIANTS. IT IS VERY UNFORTUNATE, THIS HAPPENED TWICE LAST SUMMER SUBSEQUENT TO THE EFFORTS TO IMPROVE THE DRAINAGE BY CLEANING OUT SOME OF THE STORM DRAINS IN THAT AREA I THINK WE HAVE COME TO THE CONCLUSION THAT SOME OF THE SYSTEMS ARE UNDERSIZE. AT THIS TIME, WE HAVE BEEN FORTUNATE BECAUSE THIS HAS NOT HAPPENED DURING SPRING TRAINING BUT SPRING TRAINING IS THE TIME WHEN IT RAINES HEAVILY AND WE WOULD LIKE THE TO PREVENT THIS.

THE SECOND PROJECT, THIS THE WESTWORLD EVENT AREA SHOW OFFICE AND IMPROVEMENT, ESTIMATED COST OF \$4,300,000. THE SCOPE IS PRIMARILY RE-GRADING PARKING AREAS TO ALLOW FOR LARGE EVENT AREAS, THIS WILL ALSO CONSTRUCT A SHOW OFFICE ADJACENT TO THE EQUESTRIAN CENTER THAT WILL ALLOW ADDITIONAL RESTROOM FACILITIES ESPECIALLY FOR EXTERIOR EVENTS. THERE ARE MINOR ENHANCEMENTS TO THE ELECTRICAL DISTRIBUTION SYSTEM. IN ORDER FOR THIS TO BE COMPLETED FOR THE EVENT SEASON THIS WOULD HAVE TO OCCUR THIS SUMMER, AS FAR AS THE CONSTRUCTION IS CONCERNED. A QUESTION THAT WAS BROUGHT UP AND WANTED TO ANSWER WAS SOME OF THE RECENT EXPENDITURES FOR WESTWORLD. THIS IS A FIVE YEAR HISTORY; YOU GO BACK TO 2008 WHERE WE HAD A SIGNIFICANT CONSTRUCTION PROGRAM FOR NEW HORSE BARN. THAT WAS THE LAST GOOD SIZE OR VERY LARGE INVESTMENT. AS YOU CAN SEE OVER THE YEARS WE HAVE INVESTED IN MINOR IMPROVEMENTS, YEAR IN AND YEAR OUT.

AREAS AFFECTED BY THIS PROJECT ARE PRIMARILY PARKING AREAS. IN THE NORTHERN AREA THESE AREAS WILL BE RE-GRADED AND IT WILL BE FLAT OUT. RIGHT NOW THERE ARE SUBSTANTIAL SLOPES IN PORTIONS OF THE AREA THAT PREVENT THESE FROM BEING FULLY UTILIZED FOR SOME OF THE EVENTS HELD OUT, ESPECIALLY FOR TENT SET-UP AND THINGS LIKE THAT.

THIS IS AN EXAMPLE OF A LAY OUT THAT BARRETT JACKSON WILL BE USING.

[Time: 04:01:15]

Mayor Lane: PARDON ME ONE SECOND. JUST IN LOOKING AT THE RECENT CAPITAL IMPROVEMENTS, IT GOES BACK TO 2008, WHEN DID WE BUY THE CURRENT TENT?

Derek Earle: THAT WAS ACTUALLY BOUGHT IN; WELL IT WAS LAST SKINNED IN 2009. I THINK THE CITY MANAGER MAY HAVE THAT DATE MEMORIZED.

Dan Worth: PRETTY CLOSE. I BELIEVE WE ERECTED IT IN 2005.

Mayor Lane: ALL RIGHT. SO IT WAS THAT LONG AGO. WE RE-SKINNED IT AT WHAT COST APPROXIMATELY?

Dan Worth: I AM JUST PULLING FROM MEMORY BUT I THINK IT WAS ABOUT \$1.5 MILLION, AND THAT WAS ABOUT 2009 TIME FRAME.

Mayor Lane: OKAY. THANK YOU.

Derek Earle: SO AS I WAS SPEAKING TO ONE OF THE LAY OUTS THAT WOULD BENEFIT FROM THE ENHANCED WORK IN THE PARKING AREAS, THIS IS THE LAY OUT OF THE BARRETTE JACKSON PROPOSAL WORKING IN THE NEW NORTH HALL AS IT IS COMPLETED: AS YOU WILL SEE THE AREA TO THE NORTH OF THE NORTH HALL WOULD HAVE SOME TENT AREAS SET UP FOR THE BENEFIT OF THE VENDORS IN THAT AREA. THIS AREA PRIMARILY HERE IS WHERE THE BIGGEST BENEFIT WOULD BE FOR ALL USERS NOT JUST JACKSON BUT ALSO USERS. IT ALLOWS MOST DISPLAYS AND AREAS TO BE PUT IN THIS PRIMARY AREA ALL TOGETHER, SAME LEVEL.

THIS IS SPECULATIVE, IT HAS NOT BEEN DISCUSSED WITH THE ARABIANS AT THIS THIS POINT BUT THEY HAVE MULTIPLE USES INCLUDING TEMPORARY STALLS, EXTENSIVE RV PARKING, THEY WILL BRING THE HIGH-END VEHICLES OUT THAT THEIR HORSES STAY IN. THEY ALSO HAVE A NUMBER OF TEMPORARY STALLS, IT WILL ALSO ALLOW WITH THE PAVING AT THE NORTHERN AREA ADDITIONAL VIP PARKING CONSISTENT WITH THEIR NEEDS. THIS IS HOW THE SITE IS CURRENTLY UTILIZED. THIS IS THE GOOD GUYS RUN CUSTOM CONFIGURATION. THE PRIMARY USE IS OUT OF THE TENT, THEY USED A TENT AS A PRIMARY FACILITY, AND MOST OF THE EVENT AREA REALLY STRETCHED OUT TO THE POLO FIELD AND LOWER AREAS. THEY WILL BE MOVING INTO THE EQUESTRIAN CENTER OVER ON THE EAST SIDE, ALLOWING THEM TO UTILIZE THE ENHANCED PARKING AREA. SO, AGAIN, AS WE ARE SAWING THERE ARE MULTIPLE BENEFICIARIES FOR OTHER LARGE OPEN AREA AND POTENTIALLY PROVIDE FOR OTHER LARGE SHOWS.

THE LAST REQUEST THAT COUNCIL MADE WAS AN UPDATE ON THE CIP GENERAL FUND CASH FLOW COVERAGE. I WENT THROUGH THIS IN FEBRUARY, WHEN I TALKED ABOUT CIP CRITICAL ISSUES, AND. IF YOU LOOK AT THE GREEN BAR, THE GREEN BAR IS THE BALANCE OF CASH AVAILABLE TO COVER THE PROJECTS. THEY'RE GENERAL FUND PROJECTS, OUTSIDE OF TRANSPORTATION AND ALL THE OTHER PROJECTS; THESE ARE ONLY GENERAL FUND PROJECTS. THE ORANGE BAR THAT YOU ARE LOOKING AT IS FOR LACK OF A BETTER TERM, THE DEMANDS OR COMMITMENTS AGAINST THE GENERAL FUNDS. AS YOU CAN SEE, OVER THE FIVE YEAR PROGRAM, THIS SHOWS THE DEFICIT WHEN YOU GET TO THE END. THIS NUMBER IS ACTUALLY A NEGATIVE \$11.8 MILLION AT THE END OF THE FIVE YEARS. THERE ARE REASONS WHY IT SHOWS THAT DEFICIT AFTER 5 YEARS. IT IS BASED ON OUR ASSUMPTIONS FOR CAPITAL BUDGETING. WE BUDGET OUR CAPITAL PROGRAM. WE TAKE ALL OF THE PROJECTS IN THE CIP FOR THE GENERAL FUND TO BE FUNDED AND SHOW THAT THEY ALL SPEND OUT IN THE FIVE YEAR PERIOD OF TIME. SO MOST OF YOU ARE AWARE MANY OF THESE PROJECTS GO MULTIPLE YEARS AND PAST HORIZON, BUT OUR ASSUMPTIONS WHEN WE BUDGET FOR THE 5 YEAR CIP IS THAT ALL PROJECTS ARE SPENT OUT BY THE FIFTH YEAR. GOING BACK, THAT IS WHY YOU SHOW THIS DEFICIT HERE.

THERE ARE A COUPLE OF REASONS FOR THIS AS WE LOOK FORWARD. FIVE KEY PROJECTS HAVE REMAINED AS PLACE HOLDERS IN THE GENERAL FUND CIP. THESE ARE DRAINAGE PROJECTS; THESE

ARE KEY PROJECTS FOR THE CROSSROADS OF THE EAST PROJECT. THESE ARE KEY PROJECTS FOR THE EAST AREA IN COOPERATION WITH THE STATE LAND DEPARTMENT. IT WAS MADE TO THE STATE LAND DEPARTMENT TO FUND PORTIONS OF THE REGIONAL DRAINAGE SYSTEM, NOT THE ENTIRE AMOUNT. THESE PROJECTS DON'T HAVE ANY HORIZON OR SPECIFIC TIME FRAME WHERE THESE WILL BE SPENT, YET OUR ASSUMPTIONS SHOW THAT THEY WILL BE SPENT OUT IN FIVE YEARS. I MENTIONED IN FEBRUARY THAT WE WOULD BE SEARCHING FOR OTHER FUNDING FOR THESE PROJECTS. TWO OF THESE PROJECTS HAVE ALREADY BEEN SENT TO THE VOTERS OR WILL BE SENT TO THE VOTERS AS PART OF THE BOND 2013 PROGRAM. THAT IS NEARLY \$6 MILLION. THE OTHER THREE PROJECTS THAT WE CONTINUE TO WORK WITH THE FLOOD CONTROL DISTRICT AND OTHER SOURCES TO SEE IF THESE ARE ALTERNATE FUNDING BUT THESE PROJECTS ARE NOT IN ANY IMMEDIATE NEED. WE DON'T THESE THOSE PROJECTS TODAY WE DO NEED TO KEEP THEIR PLACEHOLDER IN THE LONG TERM TO KEEP OUR COMMITMENT WITH THE STATE LAND DEPARTMENT. WHEN YOU LOOK AT THE CASH FLOW FOR THE CIP, THIS IS THE SAME CHART YOU HAD SEEN BEFORE. WHEN YOU LOOK AT THE RED PORTIONS ADDED ON, THOSE ARE THE AMOUNT OF UNRESERVED FUND BALANCE THAT COUNCIL HAS CHOSEN TO TRANSFER TO THE CIP BOTH LAST YEAR AND PROPOSED FOR THIS YEAR. LAST YEAR AND THIS YEAR CONSTITUTED THREE MILLION DOLLARS. IF THAT PROCESS CONTINUES YOU WILL SEE THAT ACTUALLY REACH IN THE FIFTH YEAR, EVEN UNDER THOSE CONSERVATIVE ASSUMPTIONS, WE SHOW A BALANCED CIP. THIS STILL INCLUDES THOSE DRAINAGE PROJECTS INCLUDING THE ONES THAT COULD POTENTIALLY COME OFF OF THE PROGRAM IF THEY'RE SUCCESSFULLY FUNDED THROUGH BOND. SO WE HAVE GOT REALLY, WHEN WE LOOK AT THE DEFICIT, A FIVE- YEAR DEFICIT IN THE GENERAL FUND CIP, IT IS MORE OF AN ARTIFICIAL DEFICIT BASED ON THE FACTS THAT WE HAVE TO MODEL ALL OF THE SPENDING BEING EXPIRED IN THAT FIVE YEARS.

WE BELIEVE THROUGH THE PROCESS OF ON GOING CONTRIBUTIONS TO THE CIP AND THROUGH THE FACT THAT SOME OF THESE PROJECTS ARE RECEIVING FUNDING SOURCES THAT IN FACT WE DO HAVE A BALANCED CIP BUDGET OVER FIVE YEARS. AND WITH THAT I WILL BE GLAD TO ANSWER ANY QUESTIONS. I AM BATTING CLEAN UP ON 14. I AM NOT ASKING FOR ANY FTE'S TONIGHT.

[Time: 04:08:33]

Mayor Lane: THAT IS GOOD.

Derek Earle: COUNCIL IF I MAY, IF THERE'S NO ACTION BY COUNCIL THE CIP WILL GO FORWARD AS PROPOSED.

Mayor Lane: EXCELLENT. THANK YOU, DEREK. I APPRECIATE THAT. COUNCILWOMAN?

Councilmember Korte: CAN WE GO BACK TO THE WESTWORLD \$4.3 MILLION AND ALL OF WHAT THAT ENTAILS? I AM GOING TO BE STRAIGHT FORWARD; I'M HAVING A HARD TIME WITH \$4.3 MILLION. I DON'T BELIEVE THAT THE AMOUNT OF INFORMATION WE WERE GIVEN IS ADEQUATE TO COMMIT TO \$4.3 MILLION PERHAPS WE SHOULD NOT LOOK AT THIS AS IMPROVEMENTS BUT IS THIS JUST NOT ANOTHER COST OVERRUN TO TONY NELSON CENTER. SO I WOULD REALLY REMOVE THIS FROM THE CIP BUDGET AND THAT'S A MOTION.

Mayor Lane: MOTION MADE AND SECOND TO REMOVE THE \$4.3 MILLION FROM WESTWORLD CIP PROGRAM.

Councilwoman Milhaven: I THINK THE MONEY STAYS, BUT THE PROJECT ELIMINATED; RIGHT? I HAVE NOTHING ADDITIONAL.

Mayor Lane: MAYBE I DON'T UNDERSTAND. THE PROJECT STAYS, BUT WE REMOVE IT FROM THAT CIP PROJECT.

Councilman Littlefield: WELL, I WOULD BE OPPOSED TO THAT AFTER ALL --WHAT WOULD BE THE IMPACT ON EVERYTHING ELSE WE ARE DOING OUT THERE?

Derek Earle: MAYOR LANE, COUNCILMAN LITTLEFIELD, IT WOULD LIKELY HAVE SOME NEGATIVE IMPACT ON SOME OF OUR CURRENT SHOWS. WE DON'T BELIEVE IT WOULD PREVENT THOSE SHOWS FROM BEING HELD. WE WOULD HAVE TO MAKE OPERATIONAL ADJUSTMENTS TO BE SURE SOME OF THESE WERE LEVELED PROPERLY WHEN THEY ARE SET UP. AT THIS TIME, WE SEE THESE AS LONG-TERM VERSATILITY RELATED UPGRADES TO WESTWORLD. THESE DO NOT REPRESENT OVERRUNS, AND WE ARE CONFIDENT WITH THE EQUESTRIAN FACILITY WE CAN DELIVER THE FACILITY AS PROMISED.

Councilman Littlefield: GIVEN THAT WEST WORLD HOST MOST OF THE BIG ECONOMIC TOURISM EVENTS AND GIVEN THAT THEY ARE IMPORTANT, WHY WOULD WE NOT DO THAT? SO I AM OPPOSING THE MOTION.

Mayor Lane: THANK YOU, COUNCILMAN. COUNCILMAN PHILLIPS.

Councilmember Phillips: THANK YOU, MAYOR. I THINK THAT COUNCILWOMAN KORTE BROUGHT UP SOME INTERESTING POINTS. YOU HAVE FOUND A CLEVER WAY TO FUND IT AND I THINK WE HAVE TO WATCH IN THE FUTURE HOW THIS IS GOING BECAUSE SOME OF THESE THINGS DID WE NOT THINK OF THEM THE FIRST TIME. IT SEEMS LIKE WE KEEP ADDING STUFF THAT SHOULD HAVE BEEN ALREADY PART OF THE ORIGINAL CONSTRUCTION. AND I CAN'T BELIEVE THAT ALL THESE THINGS WEREN'T THOUGHT OF BEFORE. I DON'T WANT TO SEE THIS COME BACK AND HERE IS ANOTHER AND ANOTHER AND ANOTHER ONE. SO I CAN GO ALONG WITH THIS BECAUSE I SEE HOW YOU ARE DOING THE CAPITAL FUNDS AND MOVING THEM AROUND. I DON'T WANT TO SEE THIS KEEP HAPPENING.

Councilmember Korte: I WOULD LIKE TO CLARIFY WHY I AM OPPOSED TO THIS. I AM CONCERNED WE KEEP POURING MONEY INTO THE WESTWORLD CENTER WITHOUT A BUSINESS PLAN, WITHOUT A MARKETING PLAN. WE PUT \$40 MILLION INTO THE TONY NELSSON EQUESTRIAN CENTER. THERE'S ADDITIONAL COST OVERRUNS BECAUSE NOW WE ARE CONSTRUCTING THE RESTROOMS AS ADDITIONAL FACILITIES TO THAT. AND WE ARE BUILDING THIS EXPECTS IF YOU BUILD IT, THEY WILL COME BACK. WE HAVE YET TO SEE A BUSINESS PLAN, A MARKETING PLAN TO JUSTIFY THIS EXPENDITURE. SO I BELIEVE THAT IT WOULD BE TO OUR BENEFIT TO STEP BACK AND DO REAL RESEARCH ON A PLAN TO JUSTIFY THIS EXPENSE.

Mayor Lane: COUNCILMAN ROBBINS.

Councilman Robbins: WELL, OF COURSE WE WE HAD A BUSINESS PLAN WHEN WE APPROVED THE EXPANSION OF THE EQUIDOME. AND THESE IMPROVEMENTS IMPROVE WESTWORLD BECAUSE YOU ARE TAKING A LOT OF ACTIVITIES AWAY THAT ARE HELD OUTSIDE OF THE EQUIDOME BECAUSE OF ITS

SIZE AND THE INABILITY TO HEAT AND COOL. YOU ARE FREEING UP SPACE ON OTHER PARTS OF WESTWORLD TO HAVE OTHER SHOWS AND EVENTS. BECAUSE OF THAT WE WERE HAVING TO GRADE AND MAKE IMPROVEMENTS SO THESE EVENTS CAN BE HELD AND THE EVENTS WE DO HAVE CAN BE THAT MUCH BETTER. I THINK IT IS CLEARLY APPROPRIATE. IT'S IN THE PLAN. IT HAS NOTHING TO DO WITH MIS-MANAGEMENT OR POOR PLANNING FOR TONY NELSSON EQUESTRIAN CENTER (TNEC) AND SO I CLEARLY WOULD NOT BE SUPPORTING THIS MOTION.

[Time: 04:15:10]

Mayor Lane: I CERTAINLY HAVE CONCERNS THAT HOW THING PROGRESS AND WHETHER THERE HAVE TO BE CHANGES OR OTHERWISE, BUT ONCE AN INVESTMENT IS MADE, IF IT WERE NOT BE DONE AND WERE TO DENIGRATE OUR ABILITY TO USE WESTWORLD AS IT HAS BEEN DESIGNED AND FRANKLY PLANNED FOR MANY, MANY YEARS WITH HORSE EVENTS AND REPLACEMENT OF THE TENT COMING CLOSE TO TEN YEARS. IT IS AN EFFORT WITH TONY NELSSON EQUESTRIAN CENTER BEING A MULTIUSE FACILITY, SOME OF THOSE COSTS INCREASE BUT I AM CONCERNED THAT THE POINT IN TIME IF WE WERE TO TRY TO REMOVE ANYTHING SUPPORTIVE OF WESTWORLD FOR OUR EVENTS, WHETHER WE WOULD DO DAMAGE TO OUR OVERALL ABILITY TO RECOVER ON THE OVERALL WESTWORLD AND MAKE IT THE FACILITY WE WOULD LIKE TO SEE THERE TO PROMOTE AN A YEAR-ROUND BASIS AND ALL OF THAT. OF COURSE THERE ARE ACTIONS IN PLACE TO MAKE SURE WE MARKETING AND OPERATIONS TO SUPPORT THAT EXPANDED FACILITY. I DON'T SUPPORT THE MOTION. I DO SHARE CONCERN BUT I AM MORE GREATLY CONCERNED ABOUT CREATING A BIGGER PROBLEM BY NOT SUPPORTING IT IN THE WAY THAT YOUR DEPARTMENT HAS, THERE ARE NEEDED ITEMS TO SUPPORT IT. SO I WILL NOT SUPPORT THE MOTION.

Councilman Littlefield: THIS ISN'T REALLY ABOUT ANY FUTURE BUSINESS. THIS IS ABOUT PARKING FOR OUR CURRENT EVENTS EVEN IF WE NEVER GOT ANOTHER EVENT, THE EVENT WE HAVE THERE WHICH IS SUBSTANTIAL, WOULD BE NEGATIVELY IMPACTED BY THIS SO THAT IS WHY I WILL NOT SUPPORT THE MOTION. WHY? WE NEED TO GO FORWARD WITH IT.

Vice Mayor Klapp: THANK YOU. I AM NOT GOING TO SUPPORT THE MOTION EITHER IT SEEMS THAT THIS IS NECESSARY WORK THAT NEEDS TO BE DONE TO SUPPORT THE PLAN THAT WE PUT IN PLACE WHEN WE AGREED TO ENCLOSE THE EQUIDOME AND TO ENCOURAGE SHOWS IN THERE BUT TO ESSENTIALLY TO SHORE UP WHAT'S HAPPENING AT THE WESTWORLD FACILITY. I HAVE A QUESTION IS THIS SOMETHING THAT WAS DISCUSSED IN THE WESTWORLD SUBCOMMITTEE. I DON'T KNOW IF THEY DISCUSS THESE THINGS BEFORE THEY COME TO THE COUNCIL. IT IS A JUST A QUESTION.

Derek Earle: I AM NOT SURE THAT THEY HAVE MET. THIS SPECIFIC CIP HASN'T BEEN DISCUSSED WITH THEM AT ALL. AND I DON'T THINK THEY HAVE MET IN THE TIME THAT THIS HAS BEEN WORKED ON.

Vice Mayor Klapp: OKAY. THESE KINDS OF THINGS I'M ASSUMING, WHEN THEY'RE UP AND RUNNING, IT WOULD SEEM THESE SHOULD BE VETTED THROUGH THE SUBCOMMITTEE AT SOME POINT TO MAKE SURE THOSE THREE MEMBERS OF THE COUNCIL ARE AWARE OF IT, BUT I AM NOT GOING TO SUPPORT THE MOTION.

Mayor Lane: THANK YOU, VICE MAYOR. THE MOTION IS ON THE TABLE AND HAS BEEN SECONDED, WE ARE READY TO VOTE. IN FAVOR INDICATE BY AYE, NAY IF YOU ARE OPPOSED. MOTION FAILED. THAT

DOES CONCLUDE AND COMPLETE 14. SORRY TO CUT YOU OUT THERE. I KNEW YOU WERE LOOKING FORWARD TO IT. WE WILL MOVE ON TO THE NEXT ITEM. ITEM 15, THE VISIONING SCOTTSDALE TOWN HALL REPORT. WE HAVE MARY VANDEVORD TO GIVE US THE REPORT. MR. WORTH?

[Time: 04:19:40]

Dan Worth: MAYOR, IF I MAY OFFER A SUGGESTION. WE HAVE FOUR ITEMS LEFT, THREE HAVE TO DO WITH THE GENERAL PLAN, AND I HAVE BEEN TALKING WITH OUR PLANNING NEIGHBORHOODS AND TRANSPORTATION DIRECTOR AND OUR LONG-RANGE PLANNING CHIEF ABOUT THE THREE GENERAL PLAN ITEMS THAT COULD BE IF TIME REQUIRES IT COULD BE HANDLED AT THE NEXT COUNCIL MEETING A WEEK FROM TONIGHT. IF WE PREFER TO MOVE TO THE LAST ITEM ON THE AGENDA FIRST, I KNOW THERE ARE PEOPLE HERE THAT WOULD SPEAK TO THAT IN THE AUDIENCE. ALSO THE VISIONING TOWN HALL PRESENTATION INVOLVES SOME CITIZEN SPEAKING. WE HAVE REPRESENTATIVES FROM THOSE THREE AREAS, I BELIEVE ONE IS STILL HERE. AND I GREATLY RESPECT THE OPINION AND WISDOM THAT MR. SCHAFFNER'S PLANNING TO SHARE WITH US BUT WE DON'T HAVE THE WHOLE GROUP HERE. SO I BELIEVE AS WITH THE OTHER TWO GENERAL PLAN ITEMS THAT IT WOULD NOT HURT THE OVERALL PROCESS IF WE DIDN'T GET TO THEM TONIGHT.

Mayor Lane: I APPRECIATE THAT, I DON'T KNOW IF THAT REQUIRES A VOTE BUT WE COULD CONTINUE ITEMS. I'M PRESUMING THAT YOU ARE SUGGESTING THAT 15, 16 AND 17 BE CONTINUED.

Dan Worth: MAYOR NOT NECESSARILY CONTINUED BUT WE COULD DETERMINE AS TIME PERMITS WHETHER WE COULD GO ON TO THE REMAINING GENERAL PLAN ITEMS.

Mayor Lane: OKAY WE WILL TAKE THAT ADVICE. THEN WE WILL MOVE TO ITEM 18 AND THAT IS A CITIZEN PETITION THAT REQUIRES COUNCIL CONSIDERATION.

## **18. CITIZEN PETITION REQUESTING CONSIDERATION OF THE DETERMINATION REGARDING THE BLUE SKY STIPULATION**

[Time: 04:21:47]

Dan Worth: MAYOR LANE MEMBERS OF COUNCIL I DON'T ACTUALLY HAVE A PRESENTATION PREPARED FOR THIS BUT JUST IN A WAY TO BRING IT TO CONTEXT I WILL GIVE YOU SOME BACKGROUND. ON APRIL 26, 2011 THE COUNCIL APPROVED THE ZONING INCLUDING INFILL INCENTIVE DISTRICT FOR THE BLUE SKY PROJECT. THEY ADDED A STIPULATION AT THAT TIME THAT IF ONSITE CONSTRUCTION ABOVE OR BELOW GROUND EXCLUDING EXCAVATION HAS NOT BEGUN 24 MONTHS FROM THE DATE OF CITY COUNCIL APPROVAL THEN ADOPTION OF THE ORDINANCE SHALL NOTIFY THE PROPERTY OWNER THAT THE CONDITIONS OF THE ZONING HAS NOT BEEN MET. IT GOES ON TO SAY THAT IT MAY OR MAY NOT HAPPEN AS A RESULT OF THAT. ESTABLISH A 2-YEAR TIME STIPULATION FOR THE BEGINNING OF CONSTRUCTION EXCLUDING GRADING AND EXCAVATION.

EARLY APRIL OF THIS YEAR THE DEVELOPER OF THIS SITE GRAY DEVELOPMENT APPROACHED US ASKING FOR A DETERMINATION OF WHETHER OR NOT THEY HAD MET THE STIPULATION. THEY HAD BEGUN WHAT IS VERY MINIMAL CONSTRUCTION ON THE SITE. I ISSUED A LETTER AS THE ACTING CITY MANAGER INDICATING TO THEM THAT AS THEY ADD CONSTRUCTION EXCLUDING GRADING AND

EXCAVATION IN PLACE THEY CALL FOR INSPECTION. THEY PASSED THE INSPECTION WITH THE CITY BUILDING SERVICES GROUPS AND THAT THE STIPULATION HAD BEEN MET. THAT LETTER WAS PROVIDED ON APRIL 5<sup>TH</sup>, ON TUESDAY APRIL 9<sup>TH</sup> WE RECEIVED A PETITION FROM A NUMBER OF RESIDENTS, THE NEIGHBORING RESIDENTIAL DEVELOPMENT, SAFARI, THE RESIDENTS REQUESTED THAT THE CITY COUNCIL AGENDIZE CONSIDERATION OF MY DETERMINATION THAT BLUE SKY HAD MET THE STIPULATION AND THEIR ZONING APPROVAL. AND COUNCIL CONSIDER THAT PETITION AND IT WAS COUNCILMEMBER PHILLIPS AT THAT MEETING THAT MOVED TO AGENDIZE THE PETITION, COUNCIL VOTED 4 TO 3 TO AGENDIZE THE PETITION, AGENDIZE CONSIDERATION OF THE CITY MANAGERS DETERMINATION THAT BLUE SKY MET THE STIPULATION IN THEIR ZONING APPROVAL. AND THAT'S WHERE WE ARE TONIGHT TO TAKE THAT ACTION, CONSIDERATION, AND DISCUSS CONSIDERATION TO POSSIBLE DIRECTION TO STAFF REGARDING THAT PETITION.

Mayor Lane: ALRIGHT, THANK YOU MR. WORTH. SO WE ARE HERE TO DETERMINE THE CITIZENS PETITION REQUESTING CONSIDERATION OF THAT DETERMINATION. AGAIN, WHETHER BLUE SKY HAS COMPLIED WITH THE STIPULATION AS STATED IN THAT AGREEMENT. WE DO HAVE A NUMBER OF FOLKS THAT WOULD LIKE TO SPEAK TOWARDS THIS. BARING IN MIND THE ISSUE HERE IS TO SPEAK SPECIFICALLY TO TO DETERMINATION TO BLUE SKY'S COMPLIANCE WITH THE STIPULATION. IF WE COULD WE WILL BEGIN WITH JIM HAXBY.

[Time: 04:25:47]

Jim Haxby: MAYOR LANE, COUNCILMEMBERS, JIM HAXBY 7336 E. SUNNYSIDE DRIVE, SCOTTSDALE. I REALLY DON'T THINK THEY ARE COMPLYING WITH THEIR STIPULATION. MY NEIGHBORHOOD IS TRYING TO STOP A MONOPOLE GOING IN AT THE ENDO FO OUR STREET WHILE THIS WAS GOING ON AND AT THE SAME TIME WE SAT DOWN HERE AND LISTENED TO GRAY DEVELOPMENT PEOPLE. EVERY WEEK THEY SHOPPED THE COUNCIL OR SIT HERE AND SAY "WE'RE READY TO GO. WE'VE GOT OUR FINANCING IN PLACE. SOON AS YOU APPROVE THIS AND GIVE US ALL OF THESE VARIANCES AND RELAX OUR STANDARDS WE'RE READY TO GO, WE'RE GOING TO BE BUILDING, POURING CONCRETE, HIRING PEOPLE, WE'RE GOING AND WE'RE GOING." AND NOW THE TWO YEARS ARE UP, THEY HAVE DUMPED MAYBE 20 YARDS OF CONCRETE. THAT AS A 15 YEAR RESIDENTIAL CONTRACTOR IN NEW MEXICO PROBABLY WOULDN'T UPHOLD A FOUR STORY OR FIVE STORY BUILDING LET ALONE A 150 FOOT. BUT THE WHOLE REASON THAT THE TWO- YEAR STIPULATION THAT YOU THE COUNCIL PUT ON THAT WAS TO GET SOMETHING GOING. NOW, GRACE SAID THEY WOULD DO IT. YOU PUT IT ON THERE AND SAID WE DON'T WANT A VACANT LOT OR A BIG WHOLE. WE WANT SOMETHING HAPPENING. YOU GAVE THEM TWO YEARS TO GET GOING FOR CITY STAFF. I MEAN EVERYBODY IN SCOTTSDALE KNOWS THE WHOLE REASON WAS TO SAY OKAY, GET GOING; WE ARE GOING TO GIVE YOU THESE VARIANCES. GET ON WITH THE PROJECT. WE ARE GOING TO GET RID OF AN UGLY CORNER OR A VACANT LOT IN TOWN AND HAVE SOMETHING APPEAR THERE. WELL, FOR STAFF TO GO OUT AND SAY THAT DUMPING 20 YARDS OF CONCRETE IS REALLY CONSTRUCTION IS ALMOST AN INSULT TO THE COUNCIL. I THINK YOU SHOULD WITHDRAW THE PROJECT, AND START ALL OVER AGAIN. THANK YOU.

Mayor Lane: THANK YOU MR. HAXBY. NEXT IS LARRY KUSH.

[Time 04:28:12]

Larry Kush: THANK YOU, MR. MAYOR. WOULD IT BE POSSIBLE FOR JOHN McClendon TO GO FIRST? HE HAS PREPARED THE PACKAGE REPRESENTING THE HOMEOWNERS MAJORITY OF HOMEOWNERS, AND I WOULD LIKE TO FOLLOW-UP ON HIS COMMENT.

Mayor Lane: THAT'S FINE. WE WILL DO THAT. LET ME JUST SAY THOUGH THAT JOHN HAS GOT SOME DONATED TIME. SO JOHN, YOU HAVE FOUR MINUTES.

[Time: 04:28:43]

John McLinden: OKAY. THANK YOU. GOOD EVENING. MY NAME IS JOHN McLINDEN. I AM THE RESIDENT AT SAFARI DRIVE. YOU SHOULD HAVE A LETTER FROM THE RESIDENTS OF SAFARI DRIVE; IT WAS SIGNED BY 54 RESIDENTS THERE. THERE'S ONLY 100 UNIT SO THERE'S A VERY BIG ISSUE IN THE DETERMINATION OF THE PEOPLE WHO LIVE THERE OF WHAT HAPPENS TO THE LOT IN FRONT. THE ISSUE AT HAND OF COURSE IS WHETHER OR NOT THE CITY MANAGERS DETERMINATION THAT THE PROJECT, THE BLUE SKY PROJECT COMPLIED WITH THE ZONING STIPULATION. IT IS OUR POSITION THAT DETERMINATION WAS INAPPROPRIATE, PRIMARILY BECAUSE EVERYBODY KNOWS THAT WAS A VERY, VERY IMPORTANT ISSUE. IT IS ALSO VERY IMPORTANT, IT IS A LEGAL ISSUE, AND SOMETHING THAT ROSE TO THE RANKS OF HAVING COUNCIL GET INVOLVED NOT SIMPLY JUST STAFF. AND ESSENTIALLY THIS MATTER WAS FROM YOUR AUTHORITY AND IT IS AN IMPORTANT MATTER THAT SHOULD BE BROUGHT BACK TO YOUR ATTENTION AND IT IS THE TYPE OF MATTER THAT THE COUNCIL SHOULD TAKE A LOOK AT. IMPORTANT BECAUSE THE PROJECT ITSELF HAS A NUMBER OF FUNDAMENTAL FLAWS, BUT IT IS IMPORTANT FROM A LEGAL STANDPOINT. THE BLUE SKY WOULD ARGUE THAT THERE'S A VERY NARROW INTERPRETATION HERE REGARDING THE ISSUE, AND WHETHER OR NOT THEY HAD MOVED ENOUGH DIRT AND WHETHER THEY HAD POURED ENOUGH CONCRETE AND THAT IS ON EXCAVATION, BUT THE REAL LEGAL ISSUE AND WHAT THE COURT WAS GOING TO LOOK AT IS WHETHER OR NOT THE INTENT OF THAT ORDNANCE WAS ADHERED TO. AND I THINK THE INTENT IS MUCH BROADER THAN THAT. IT IS NOT JUST HAVING A FEW GUYS ON SIGHT AND MOVING A PILE OF DIRT FROM ONE PILE TO ANOTHER, IT IS WHETHER OR NOT THE PROJECT WAS READY, WILLING AND ABLE TO GO FORWARD. THE ANSWER IS NO, WHAT'S HAPPENING IN THAT REGARD IS NOT MOVING FORWARD. THE PROJECT ACCORDING TO THE DEVELOPER, AND WE MET WITH HIM, DOES NOT HAVE CONSTRUCTION FINANCING IN PLACE, DOES NOT HAVE EQUITY FINANCING IN PLACE. THEY DO NOT HAVE A BUILDING PERMIT TO BUILD THE VERTICAL PORTION ONLY UNDER GROUND. THEY HAVE NOT EXECUTED A CONTRACT WITH A GENERAL CONTRACTOR. THERE'S A NUMBER OF IF YOU WILL FUNDAMENTAL ISSUES ABOUT THIS PROJECT THAT IS RIGHT NOW WE ARE JUST SEEING A SIMPLE CHARADE. SO IF THIS COUNCIL WERE TO TAKE OUR POSITION WHICH IS TO SAY THIS PROJECT DID NOT MEET THE INTENT OF THAT ORDNANCE, WE WOULD BE ALLOWED TO LOOK AT SOME REAL IMPORTANT AND WE BELIEVE FUNDAMENTAL FLAWS THAT OCCURRED FROM THE PLANNING OF THIS PROJECT AT THE VERY INCEPTION. WE BELIEVE THE PROJECT WAS RUSHED THROUGH AND NOW THAT A FEW CHANGES HAVE BEEN MADE FOR EXAMPLE WHEN THE MERCEDES DEALERSHIP CAME FORWARD AND THAT WAS APPROVED, THERE WAS PREVIOUSLY A PRIVATE EASEMENT THAT WENT THROUGH THE PROPERTY AND ALLOWED US TO HAVE A SECONDARY ACCESS UP TO HIGHLAND AVENUE. THAT'S NOW GONE. THE ACCESS OF THIS PROJECT IS REALLY FLAWED. IF YOU LOOK RIGHT HERE THIS IS THE DEVELOPERS ACCESS PLAN. IT SHOWS MASSIVE CONFUSION, IT IS NOT CONSISTENT WITH THE TRAFFIC REPORT. TRAFFIC REPORT SAYS THAT BECAUSE IT IS THE ONLY POINT IN THE ENTIRE SITE FOR A THOUSAND UNITS AND THAT FROM THE BLUE SKY PROJECT FROM SAFARI ONE AND TWO AND RETAIL PROJECT. THAT'S A THOUSAND UNITS AND 130,000 SQUARE FEET OF COMMERCIAL

SPACE. YOU HAVE TO USE THIS EXIT. THE LEFT HAND TURN LANE REPRESENTS 50% OF THAT VOLUME. THERE'S NO OTHER WAY TO GET OUT OF THIS PROJECT IN A LEFT-HAND TURN. NOT JUST THIS PROJECT ALL OF THOSE PROJECTS COMBINED. IT WOULD REQUIRE 342 FEET OF STACKING WHICH DOES NOT MAKE ANY SENSE. YOU WOULD HAVE CONFUSION AND TRAFFIC BACKING UP.

Mayor Lane: MR. McLENDON. PARDON ME FOR THE INTERRUPTION. THE ONLY POINT AT HAND IS WHETHER THEY HAVE MET THE STIPULATION.

John McLinden: I APPRECIATE THAT MAYOR. LET ME JUST END BY SAYING WE NEVER REALLY GET TO ADDRESS THESE FUNDAMENTAL L FLAWS UNLESS COUNCIL REALLY TAKE THAT IS AUTHORITY AND IT MAKES THE DETERMINATION OF WHETHER OR NOT THE BLUE PROJECT MET THAT STIPULATION AND MET THE INTENT OF THE STIPULATION. WE BELIEVE IT HAS NOT AND WE HOPE YOU AGREE WITH US.

[Time: 04:33:50]

Larry Cush: MR. MAYOR, LADIES AND GENTLEMAN OF THE COUNCIL, LARRY KUSH 4743 NORTH SCOTTSDALE ROAD. I HAVE BEEN A BUILDER IN SCOTTSDALE AND RESIDENT FOR OVER 30 YEARS. BUILD IN EXCESS OF 3,000 HOMES. I BUILT THE FIRST HOME IN SCOTTSDALE RANCH. I WAS PRESIDENT OF THAT ASSOCIATION AND FIVE-TIME PHOENIX BUILDER OF THE YEAR. I SAY THESE BECAUSE I WOULD LIKE TO THINK PEOPLE WOULD THINK OF ME AS AN EXPERT IN THIS AREA. I BUILT HOME, CONDOS AND TOWN HOMES. YOU ALL GAVE BLUE SKY/GREY DEVELOPMENT SOMETHING THAT'S AMAZING THAT ALL HOME BUILDERS AND DEVELOPERS DREAM OF. YOU GAVE THEM EXTRA DENSITY. THAT'S SOMETHING WE ALL LOOK FOR BECAUSE DENSITY MEANS MORE MONEY. YOU PUT ONE STIPULATION ON THAT. THAT IS YOU HAD TO START ON TIME. LIKE I SAID I HAVE BEEN BUILDING A HOME LONG TIME. NONE OF YOU PROBABLY HEARD OF A UFER GROUND CLAMP. I AM SURE THE CITY MANAGER HAS NEVER HEARD OF ONE. IT IS THE FIRST THING YOU PUT IN A HOUSE. IT IS A PIECE OF COPPER WIRE. GUY IS LAUGHING BECAUSE HE KNOWS. YOU WRAP AROUND REBAR. YOU POUND IT IN THE GROUND. YOU LAY IT ON THE GROUND SO WHEN YOU DO YOUR FOOTING YOU POUR CONCRETE ON IT. THE REASON IS BECAUSE IT GROUNDS THE HOUSE FROM LIGHTENING. WHEN I LAY A UFER THAT DOESN'T MEAN I HAVE STARTED A HOUSE. WELL, THESE FOLKS WENT OUT AND KICKED A LITTLE DIRT AROUND ON A MULTI-STORY THREE-BUILDING COMPLEX AND SAID WE STARTED A DEVELOPMENT. THE PEOPLE WHO MADE THE DETERMINATION, I THINK THEY OVERSTEPPED THERE BOUNDS. THE CITY MANAGER WHO HAS NEVER BUILD ANYTHING I AM SURE, I HOPE I AM WRONG BUT I'M SURE HE HAS NEVER BUILT A HOME, NEVER BUILT A TOWN HOME, DOESN'T KNOW CONSTRUCTION, NEVER PULLED A PERMIT, NEVER DONE AN INSPECTION. I SAID OH YEAH, YOU HAVE MET THE REQUIREMENT. YOU HAVE MET THE REQUIREMENT TO GET ALL OF THESE SPECIAL THINGS. I WOULD SAY, LET ME SAY THAT WE ARE NOT AGAINST BLUE SKY. IT IS A BEAUTIFUL PROJECT. I MET WITH MR. KEARNEY, HE'S A WONDERFUL GUY, HE'S A WONDERFUL ARCHITECTURE. I KNOW PAUL GILBERT, HE'S A GREAT ATTORNEY, I'VE KNOWN HIM FOR THIRTY YEARS, HE'S A FRIEND. WE ARE NOT AGAINST BLUE SKY. WE ARE AGAINST THIS RUSH TO JUDGMENT. IT IS THE CASE FROM SAFARI. THEY SAID THEY HAVE EXTRA SPACE, LET US GET MORE; PRETTY SOON YOU HAVE A LARGE AREA OF SPACE, CONDO; CONDO; COMMERCIAL; EVERYONE RUSHING TO JUDGMENT. HERE'S ONE MORE ATTEMPT OF RUSH TO JUDGMENT. I THINK THE SECOND THEY PULLED ONE SMALL PERMIT AND DID A LITTLE FOOTING; THE ACTING CITY MANAGER MADE A VERY VERY BIG MISTAKE OF SAYING YOU MET THE REQUIREMENT. THIS DECISION SHOULD HAVE BEEN MEAT BY THE COUNCIL. THE CITY MADE A MISTAKE, I REALIZE THE POSITION YOU PUT YOURSELF IN. YOU HAVE THE POWER AND AUTHORITY TO

RETHINK THIS A LITTLE. WE ARE NOT TRYING TO THROW BLUE SKY OUT; WE WANT TO TALK A LITTLE BIT ABOUT WHAT HAS HAPPENED. THANK YOU.

Mayor Lane: THANK YOU. THAT SHOULD BE PAUL GILBERT.

[Time: 04:33:47]

Paul Gilbert: THANK YOU, MAYOR. I'M PAUL GILBERT. I THINK IT IS VITALLY IMPORTANT THAT WE WORK TOGETHER TO FOCUS ON THE AGENDA ITEMS. THAT'S A CONSIDERATION OF THE CITY MANAGERS DETERMINATION. WE WILL LIMIT OUR REMARKS JUST TO THAT. IT IS CLEAR THAT THE NEIGHBORS HAVE AN ULTERIOR MOTIVE HERE. I DON'T FAULT THEM FOR THAT, BUT THAT'S NOT WHAT WE ARE HERE TO DISCUSS THIS EVENING. LET'S START BY LOOKING AT THE STIPULATION ITSELF. IT SAYS START OF CONSTRUCTION, IF A BUILDING PERMIT HAS NOT BEEN ISSUED, THAT'S THE FIRST THING YOU HAVE TO DO IS GET A BUILDING PERMIT.

AND ON SITE CONSTRUCTION ABOVE AND BELOW GROUND, EXCLUDING EXCAVATION AND GRADING HAS NOT BEEN ACCOMPLISHED WITHIN 24 MONTHS. THAT'S REAL STANDARD. HERE IS THE BUILDING PERMIT. WE HAVE GOT GREEN TAGS TO SHOW HOW WE PROCEEDED WITH THE CONSTRUCTION AND THEN LASTLY, THE CONSTRUCTION. IT IS MORE THAN JUST EXCAVATION. IT IS MORE THAN JUST PUTTING A UFER. YOU CAN SEE THAT CONSTRUCTION HAS TAKEN PLACE WE HIRED A SUBCONTRACTOR TO DO THAT. YOU HAVE GOT CONCRETE PLACEMENT WE ARE IN THE SECOND STORY. WE ARE MAKING PROGRESS WE HAVE SATISFIED THE STIPULATION. I DON'T MEAN TO BE LECTURING HERE. BUT THE GREAT PRINCIPLE OF LAW IN ARIZONA IS THAT ZONING ORDINANCES INTERROGATION OF COMMON LAW PROPERTY RIGHTS IS VERY STRICTLY INTERPRETED AGAINST MUNICIPALITIES. THAT MEANS IF WE COMPLY WITH THAT STIPULATION LITERALLY, WE HAVE DONE WHAT WE NEED TO DO. LASTLY, AND I WILL END WITH THIS I WANT BRUCE TO HAVE AN OPPORTUNITY TO TALK TO YOU. HE DIDN'T LIKE THAT STIPULATION WHEN IT WAS IMPOSED ON HIM. HE VERY CAREFULLY READ THAT STIPULATION THE NIGHT OF THE HEARING. HE SAW WHEN HE AGREED TO IT, THAT HE ONLY NEEDED TO MEET THE STANDARDS SPECIFICALLY SET FORTH IN THAT STIPULATION. HE HAS DONE THAT AND THAT'S THE QUESTION THAT IS BEFORE YOU THIS EVENING. WE SUBMIT HOWEVER YOU INTERPRET THIS, THAT STIPULATION HAS BEEN SATISFIED.

Mayor Lane: THANK YOU. MR. GRAY, IF YOU WOULD LIKE.

[Time 04:40:15]

Bruce Gray: THANK YOU, MAJOR. BRUCE GRAY 4040 EAST CAMELBACK. FIRST I WANT TO EXPRESS TO THE COUNCIL MY EXTREME DISAPPOINTMENT THAT WE ARE NOT UNDER CONSTRUCTION. EVERYTHING I INDICATED TO THE COUNCIL IN 2011 WAS THE GODS HONEST TRUTH. WE HAD FINANCING. WE HAD A PARTNER WITH A COLLEGE ENDOWMENT FUND THAT WAS FUNDING THE PROJECT WHO HAD A LOT OF INVESTMENTS IN HERE. THEY WITHDREW AT THE 11th HOUR JUST DAYS BEFORE THE END OF 2011. THEY WERE CONCERNED ABOUT THE ECONOMY AND ISSUES IN GREASE AT THAT TIME. THEY FEARED THAT COULD BECOME A CONTAGION FOR THE ECONOMY HERE SO THEY WITHDREW. NOBODY WAS MORE SURPRISED AND DISAPPOINTED THAN I AM. BUT THE MESSAGE HERE TONIGHT IS THAT WE HAVE BEEN ABSOLUTELY TRUTHFUL AND FORTH COMING WITH THIS COUNCIL FROM DAY ONE. EVERYTHING WE HAVE SAID IS WHAT WE BELIEVED AND AT THIS TIME AND

WITH THE BEST OF INTENTIONS. WE ARE 100% COMMITTED TO THIS PROJECT. I AM NOT GOING ANYWHERE. WHEN WE HEAR THERE'S NOTHING EQUITY IN THE PROJECT, THERE'S 20 MILLION IN THE BUDGET, IT REQUIRES ANOTHER \$60 MILLION, BUT THE \$20 MILLION IN THERE IS VERY REAL. IT IS MOSTLY MINE AND WE ARE NOT GOING AWAY. BUT, I UNDERSTAND THE ISSUES AND CONCERNS ABOUT THOSE IN THE IMMEDIATE NEIGHBORHOOD ABOUT TRAFFIC AND THOSE THINGS. WE ARE MORE THAN HAPPY TO TALK TO THEM AND TRY TO HELP ADDRESS THOSE ISSUES.

[Time: 04:42:15]

Mayor Lane: THANK YOU. THANK YOU, MR. GRAY. THAT COMPLETES THE PUBLIC TESTIMONY ON THAT ITEM. MOVE THE COUNCIL KNOWS THE SITUATION AS TO WHAT DIRECTION WE MIGHT SUGGEST OR IF THERE ARE ANY QUESTIONS TO ASK. I WILL START WITH COUNCILMAN LITTLEFIELD.

Councilman Littlefield: ACTUALLY I LOOKED AT THE VIDEO WHERE WE MADE THIS APPROVAL. OF COURSE I DIDN'T VOTE FOR IT. SO, I HAVE TO SAY THAT UP FRONT, BUT THERE WAS A LOT OF ARGUMENT BACK AND FORTH ABOUT HOW TO MAKE THIS STIPULATION WORK AND OF COURSE THIS ALWAYS HAPPENS WHEN WE TRY TO DO SOMETHING UP HERE ON THE DAIS AND TRY TO MANIPULATE SOMETHING LIKE THAT, IT DOES COME OUT IN SOME WAY, BUT IT WAS ALSO CLEAR TO ME THAT THE THOUGHT BEHIND THE STIPULATION, WHICH AT THAT TIME WAS MADE BY COUNCILWOMAN BOROWSKY WAS THAT WE WERE GIVING GRAY DEVELOPMENT A HUGE AMOUNT OF GOODIES WITH YOU GUYS TALKING ABOUT HOW WONDERFUL THIS WAS GOING TO BE. IN FACT I REMEMBER ORIGINALLY, WE WERE ACTUALLY, YOU GUYS WERE SO ANXIOUS TO GET THIS PROJECT APPROVED, THAT AT ONE POINT WE WERE ACTUALLY TALKING ABOUT COMING BACK FROM SUMMER BREAK TO APPROVE THE PROJECT BECAUSE IT HAD TO GET DONE SO CONSTRUCTION WOULD START. OBVIOUSLY THAT DIDN'T HAPPEN. BUT THE CLEAR INTENT OF THE STIPULATION WAS IN RETURN FOR ALL OF THE VARIANCES WE GAVE YOU, YOU WOULD START RIGHT AWAY. THAT DIDN'T HAPPEN. IT HASN'T HAPPENED. I AM SORRY BUT WHAT YOU DID SO FAR DOESN'T QUALIFY AS STARTING. I THINK IT IS TIME TO HOLD YOU TO YOUR PROMISE AND SO I AM GOING TO MAKE A MOTION THAT THE COUNCIL DECIDES OR AFFIRM THAT STIPULATION HAS NOT BEEN MET.

Mayor Lane: THANK YOU, COUNCILMAN. IF I MIGHT JUST FOR COMPLETE CLARITY ON THIS, MR. WASHBURN, ARE WE HERE TO SCHEDULE THAT HEARING OR MAKE THAT DECISION.

City Attorney Bruce Washburn: MAYOR, CITY COUNCIL, THE DECISION HAS TO BE MADE BASED ON FACTS. YOU TAKE IT FROM EVIDENCE. YOU SAW THE PICTURES REGARDING THE CONSTRUCTION. THE COUNCIL CERTAINLY WOULD HAVE THE OPTION TO SCHEDULE A HEARING AT A LATER TIME TO FULLY VET THE ISSUE. HONESTLY I THINK, GIVEN THE AGENDA ITEM, THE FACTS HAVE BEEN PRESENTED TO YOU TONIGHT ON THE ISSUE, AND GIVEN THE FACT I BELIEVE THE COUNCIL DOES HAVE THE AUTHORITY TO MAKE THIS DECISION. IF YOU WANT TO VOTE TONIGHT YOU CAN VOTE TONIGHT.

Mayor Lane: THAT'S WHAT I WAS LOOKING FOR JUST A CLARITY ON THAT. THANK YOU MR. WASHBURN. COUNCILMAN PHILLIPS.

Councilmember Phillips: THANK YOU, MAYOR. I WILL SECOND THAT. BUT ASIDE FROM THE CONSTRUCTION, ITEM 25A SAYS THE PROPERTY OWNER SHALL CONTRIBUTE A MINIMUM OF 20% OF

THE COST OF CONSTRUCTION, FOR ENHANCED PEDESTRIAN CROSSING IMPROVEMENTS FROM THE PROPERTY OF THE WEST SIDE OF NORTH SCOTTSDALE ROAD. HAS THAT HAPPENED?

Dan Worth: COUNCILMAN, CAN YOU REPEAT THE QUESTION, PLEASE?

Councilmember Phillips: 25A THE PROPERTY OWNER SHALL CONTRIBUTE A MINIMUM OF 20% OF THE COST OF CONSTRUCTION FOR THE ENHANCED PEDESTRIAN CROSSING IMPROVEMENTS FROM THE SUBJECT PROPERTY TO THE WEST SIDE OF NORTH SCOTTSDALE ADJACENT TO FASHION SQUARE MALL. HAS THAT HAPPENED?

Dan Worth: I DON'T BELIEVE THOSE IMPROVEMENTS HAVE BEEN MADE.

Councilmember Phillips: OKAY, BECAUSE THE END OF THAT SENTENCE SAYS PRIOR TO ISSUE OF ANY BUILDING PERMIT. NOW ON NO. 38, EASEMENTS BEFORE ANY PERMIT IS ISSUED FOR THIS SITE, EACH EASEMENT SHALL BE CONVEYED BY A FINAL PLAT. HAS THAT BEEN DONE?

Dan Worth: COUNCILMAN, I CAN'T ADDRESS THAT. I DON'T KNOW WHETHER OR NOT, HONESTLY I DON'T KNOW WHETHER THE IMPROVEMENTS YOU SPECIFIED HAVE BEEN COMPLETED OR IF THE EASEMENTS HAVE BEEN ISSUED. I WOULD HAVE TO GET THAT RESPONSE FROM OUR PLANNING STAFF. I AM NOT SURE WE HAVE THE RIGHT PEOPLE HERE TO ADDRESS THAT AT THE MOMENT.

Councilmember Phillips: NUMBER FOUR, CITY COUNCIL APPROVAL OF FINAL DESIGN. IN ADDITION TO AND AFTER RECEIVING APPROVAL FROM THE DEVELOPMENT REVIEW BOARD THE PROPERTY OWNERS SHALL BE DEEMED TO INITIATE AN APPEAL TO THE DEVELOPMENT REVIEW BOARD DECISION TO THE CITY COUNCIL FOR APPROVAL PRIOR TO A CONSTRUCTION, PROPERTY OWNERS HAVE DEMONSTRATED ZONING ADMINISTRATION, COUNCIL FINAL DEVELOPMENT REVIEW BEFORE BUILDING PERMIT. HAS THAT HAPPENED?

[Time: 04:47:30]

Dan Worth: AGAIN, I'M NOT FAMILIAR, BUT THE DETAILS I BELIEVE THAT HAS THOUGH.

Councilmember Phillips: DOES COUNCIL REMEMBER THAT, APPROVING THE FINAL DESIGN OF THE BUILDING FROM DRB? OKAY. SO YOU GOT THAT ONE. THE OTHER TWO HAVEN'T HAPPENED. NO. 41. START OF CONSTRUCTION, AS THEIR ATTORNEY SAID A BUILDING PERMIT HAS NOT BEEN ISSUED FOR ON SITE CONSTRUCTION, ABOVE OR BELOW GROUND INCLUDING EXCAVATION WITHIN 24 HOURS NOTICE. SO REQUEST A PUBLIC HEARING BEFORE THE CITY COUNCIL. THAT'S WHAT WE ARE DOING. IT DOESN'T GO TO THE CITY MANAGER IT GOES TO THE CITY COUNCIL. THE BUILDING PERMIT SHOULD NOT HAVE BEEN ISSUED BECAUSE BACK TO WHAT I SAID BEFORE, THE OTHER STIPULATIONS HAVEN'T BEEN MET PRIOR TO ISSUING A PERMIT. AS FOR THE CONSTRUCTION ITSELF, YOU KNOW, PUTTING UP A RETAINING WALL TO DIG A 20-FOOT HOLE IN AN 8 FOOT FOUNDATION TO HOLD UP A STOREROOM, THAT'S ONLY ONE QUARTER OF 1% OF THE TOTAL SUB FLOOR. I WOULD HARDLY CALL THAT SUBSTATION OF ANY SORT. AND AFTER TWO YEARS TIME AND AS COUNCILMAN LITTLEFIELD STATED THEY WANTED TO GET DONE AND START CONSTRUCTION BY THE FIRST OF THIS SUMMER, I THINK THE INTENT OF THIS HAS NOT BEEN MET. SO I WILL BE SECONDING THIS MOTION.

Mayor Lane: THANK YOU, COUNCILMAN, THERE IS A MOTION AND A SECOND. THAT WAS YOUR SECOND AT THE SAME TIME.

Councilmember Phillips: YES.

Mayor Lane: MY QUESTION WITH STAFF AND MAYBE OF THE APPLICANT, BUT OF GRAY DEVELOPMENT TO THESE STIPULATIONS AND THE TIMING IT SOUNDS LIKE STAFF IS AT A LOSS AS TO WHETHER OR NOT THEY'RE REQUIRED OR NOT OR WHETHER THEY HAVE BEEN ADDRESSED AT THIS TIME OR WHETHER THEY'RE MEANT TO BE ADDRESSED AT SOME LATER DATE. AS IT HAS BEEN READ, IT IS SUPPOSED TO BE ACCOMPLISHED BEFORE PERMITS HAVE BEEN ISSUED. I WOULD ASK EVEN LEGAL IF THAT'S POSSIBLE, YOU WOULD HAVE TO HAVE PERMITS DRAWN TO ACCOMPLISH THESE TASKS, WOULD YOU NOT.

I'M SORRY MR. WASHBURN OR ANYBODY WHO CAN ADDRESS THAT. CAN YOU ACCOMPLISH WHAT COUNCILMEMBER PHILLIPS HAS INDICATED WITHOUT HAVING A PERMIT? HE HAS INDICATED THAT IT NEEDS TO BE DONE BEFORE A PERMIT IS ISSUED.

Bruce Washburn: MAYOR, THE DEVELOPER, MR. GILBERT, INDICATED THAT IN FACT A PERMIT HAD BEEN ISSUED AND DISPLAYED A COPY OF THE PERMIT. SO ASSUMING THAT'S A LEGITIMATE DOCUMENT THEN A PERMIT WAS ISSUED IS REQUIRED BY THE STIPULATION.

Mayor Lane: NO, I'M SORRY. MR. WASHBURN SOMETHING THAT COUNCILMAN PHILLIPS JUST MENTION, THE FACT THAT, HE'S READING MAYBE YOU CAN GIVE HIM 25A OF THE DEVELOPMENT AGREEMENT, THAT CERTAIN IMPROVEMENTS ON SCOTTSDALE ROAD WERE COMMITTED TO PRIOR TO THE ISSUANCE OF A BUILDING PERMIT.

Bruce Washburn: CORRECT. WITHOUT HAVING THE PEOPLE HERE WHO WERE INVOLVED IN THE ISSUE OF THE PERMIT, I CAN'T TELL YOU WHAT THE PROCESS WAS, THE RESULT OF A PERMIT BEING ISSUED WITH THOSE STIPULATIONS IN PLACE. IT DOESN'T CHANGE THE FACT THAT A PERMIT WAS ISSUED LEGALLY.

Mayor Lane: SO, FAILURE TO HAVE ACCOMPLISHED WHATEVER TASK IS INDICATED IN 25A, BEFORE THE PERMIT WAS ISSUED. I AM NOT SURE IF IT IS A CHICKEN AND EGG THING, I DON'T KNOW WHAT THE CONSEQUENCES OF IT MIGHT BE.

Bruce Washburn: THE POINT I'M TRYING TO MAKE LEGALLY THE CONSEQUENCES DOES NOT AFFECT WHETHER OR NOT A BUILDING PERMIT WAS ISSUED.

Mayor Lane: THIS DOES GO A LITTLE INTO PARTS FROM THE ISSUE AT HAND. MR. WORTH.

Dan Worth: I AM NOT IN THE POSITION TO SAY THOSE CONDITIONS HAVEN'T BEEN MET. I APOLOGIZE FOR MY DELAY IN COMBING THROUGH MY STACK OF PAPERS TO GET TO THE ORDINANCE. BUT FOR EXAMPLE, THE FIRST STIPULATION THAT COUNCILMEN PHILLIPS READ TALKS ABOUT THE PROPERTY OWNER PARTICIPATING IN AND CONTRIBUTING AN AMOUNT TO A STUDY OF AN EAST/WEST PEDESTRIAN CROSSING, IT DOESN'T COMMIT THE CONSTRUCTION OF THOSE IMPROVEMENTS PRIOR TO THE ISSUE OF A BUILDING PERMIT. THE PROPERTY OWNER SHALL PROVIDE PROOF OF AN

ASSURANCE OF SAID PARTICIPATION AND FINANCIAL CONTRIBUTION, SUBJECT OF THE SATISFACTION OF THE ZONING ADMINISTRATOR PRIOR TO THE ISSUE OF ANY BUILDING PERMIT. I WOULD HAVE TO ASSUME THAT THE ZONING ADMINISTRATOR HAS RECEIVED THAT SATISFACTION AND MADE THAT DETERMINATION. THE ZONING ADMINISTRATOR IS THE INDIVIDUAL THAT I WOULD TURN TO ON THE STAFF TO VERIFY THAT. UNFORTUNATELY I DON'T HAVE THE ZONING ADMINISTRATOR HERE.

Mayor Lane: OKAY. THANK YOU. COUNCILMAN LITTLEFIELD.

[Time: 04:53:15]

Councilman Littlefield: YOU TOLD US YOU ARE THE ZONING ADMINISTRATOR ON THIS BECAUSE RANDY GRANT WHO IS NORMALLY THE ZONING ADMINISTRATOR RECUSED HIMSELF FROM THAT PROCESS BECAUSE WHEN HE WAS IN PRIVATE BUSINESS HE WORKED FOR THESE GUYS. SO HE FELT IT WOULD BE A CONFLICT OF INTEREST. THAT'S WHAT YOU TOLD US, WHICH IS WHY YOU ACTED AS THE ZONING ADMINISTRATOR ON THIS PARTICULAR PROJECT. SO THAT EXPLANATION DOESN'T FLY. SO EITHER RANDY GRANTS THE ZONING ADMINISTRATOR OR YOU SAID HE'S NOT BECAUSE COULDN'T BECAUSE HE HAD A CONFLICT. IF YOU ARE THE ZONING ADMINISTRATOR YOU ARE HERE AND YOU SHOULD KNOW THE ANSWER TO THAT QUESTION. IF IN FACT THOSE TWO STIPULATIONS WERE NOT MET, THEN NOT ONLY IS THE LETTER YOU WROTE INAPPROPRIATE BUT THE ISSUE OF THE BUILDING PERMIT IS INAPPROPRIATE AND MIGHT BE GROUND FOR BRINGING BACK THE BUILDING PERMIT.

Dan Worth: MAYOR, COUNCILMAN LITTLEFIELD. THE LETTER AT QUESTION I SIGNED AS THE ACTING CITY MANAGER NOT AS THE ZONING ADMINISTRATOR. THE ZONING ADMINISTRATOR FOR CASE IS ACTUALLY APPOINTED ON A LETTER DATED DECEMBER 17, 2012. I POINTED RANDY GRANT AS THE ZONING ADMINISTRATOR IN DECEMBER OF 2012. RANDY GRANT ON MARCH 7 SIGNED A DELEGATION DELEGATING AUTHORITY IF HE'S UNABLE TO PERFORM TO TO TIM CURTIS, CURRENT PLANNING DIRECTOR. THESE ARE FILED WITH THE CLERK BY VIRTUE OF THESE APPOINTMENTS. THE ZONING ADMINISTRATOR FOR THIS CASE IS MR. CURTIS.

Councilman Littlefield: I ALSO HAVE AN E-MAIL FROM YOU, WHEN I QUESTIONED YOU, SAYING YOU ACTED AS ZONING ADMINISTRATOR HERE SO YOU CAN'T HAVE IT BOTH WAYS.

Dan Worth: I WOULD HAVE TO GO BACK AND LOOK AT THE E-MAILS, I MAY HAVE CONTEMPLATED DOING THAT BUT THE LETTER WENT OUT AS THE ACTING CITY MANAGER NOT AS THE ZONING ADMINISTRATOR.

Councilman Littlefield: WELL, I WOULD BE HAPPY TO GIVER IT TO YOU. THE POINT IS, REGARDLESS OF THE ZONING ADMINISTRATOR, IF THOSE TWO STIPULATIONS WEREN'T MET THEN THE BUILDING PERMIT SHOULD NOT HAVE BEEN ISSUES BY ANYBODY. IF THE BUILDING PERMIT WAS INAPPROPRIATELY ISSUED THEN THAT'S ALL THE MORE REASON TO PASS THIS MOTION.

Mayor Lane: THANK YOU, COUNCILMAN. COUNCILMAN PHILLIPS?

Councilmember Phillips: YEAH. JUST TO CLARIFY WITH THE SENIOR MANAGER SAID ABOUT READING 25A. THE PROPERTY OWNER SHALL CONTRIBUTE A MINIMUM OF 20 PERCENT OF THE COST TO CONSTRUCTION, THAT'S AFTER THIS STUDY WAS DONE, WHICH IS WHAT HE WAS REFERRING TO. ALL

OF THAT IS SUBJECT PRIOR TO THE ISSUANCE OF ANY BUILDING PERMIT. AS THE ATTORNEY SO ELOQUENTLY STATED THAT'S WHAT STATE IN HERE AND THAT'S WHAT THE LAW GOES BUY. AS FAR AS OUR ESTEEMED ATTORNEY GOES A BUILDING PERMIT WAS ISSUED AND IT SHOULDN'T HAVE BEEN ISSUED.

Mayor Lane: WELL, MR. WASHBURN, I WILL ASK AGAIN. AT THIS TIME, WHETHER WE KNOW IF TIM CURTIS WAS THE ACTING ZONING ADMINISTRATOR WE DON'T HAVE ANY IDEA WHETHER OR NOT THERE WAS COMPLIANCE WITH THESE OR NOT. SUBJECT TO THE FACT THAT WE ARE HERE TO GIVE SOME DETERMINATION ON WHETHER THEY HAVE COMPLIED WITH THE STIPULATION THAT'S REQUESTED IN THE PETITION, I DON'T KNOW THAT IT DOESN'T LEAVE US WITH THE ELEMENT OF WHETHER OR NOT WE HAVE COMPLIANCE WITH THAT SIMPLE STIPULATION.

Bruce Washburn: MAYOR, TIM CURTIS IS THE ZONING ADMINISTRATOR ON THIS CASE, THAT WAS THE RECORD IN THE CLERK'S OFFICE, PRIOR TO THE TIME THAT ANY ACTION WAS TAKEN BY ANYBODY ON STAFF. WITH RESPECT TO THE EFFECT OF THE STIPULATIONS POINTED OUT BY COUNCILMAN PHILLIPS I WOULD REVERT BACK TO WHAT I SAID BEFORE, ANY DECISIONS BASED ON THE STIPULATION HAS BEEN MET HAS TO BE BASED ON THE RELEVANT FACTS. IF THE COUNCIL BELIEVES THAT WHETHER THEY HAVE COMPLIED WITH THE STIPULATIONS AND RELEVANT FACTS IN DETERMINING IF THE STIPULATIONS HAVE BEEN MET THEN I WOULD URGE YOU NOT TO ACT UNTIL THOSE FACTS HAVE BEEN FULLY VETTED AND INFORMATION IS BROUGHT FORWARD TO THE COUNCIL. YOU WOULDN'T WANT TO GET IT WRONG. YOU WANT TO HAVE THE RELEVANT FACT BEFORE YOU MAKE A DECISION ONE WAY OR THE OTHER.

Mayor Lane: SO WE DO HAVE A MOTION ON THE TABLE RIGHT NOW WITH NO FURTHER COMMENTS. THAT IS TO DO BASICALLY TO DENY THE COMPLIANCE THAT WAS NECESSARY TO THE STIPULATION.

Bruce Washburn: IF I COULD, MAYOR. I BELIEVE THE MOTION WAS TO FIND THAT THE STIPULATION HAD NOT BEEN COMPLIED WITH. OKAY, THAT'S FINE. I AM SURE BOB WOULD WANT TO BE HERE FOR THIS SO WE WILL WAIT. HOPEFULLY HE'S NOT HAVING A PROBLEM. VICE MAYOR KLAPP.

[Time: 04:59:22]

Vice Mayor Klapp: THE PARAGRAPH BEING REFERRED TO ABOUT CONSTRUCTION OF THE WALKWAY ACROSS THE STREET, COULD THAT BE THE BUILDING PERMIT THAT WAS BEING REFERRED TO IN THAT PARAGRAPH? COULD IT BE THEY HAD TO PAY 20% OF THE COST OF THE CONSTRUCTION OF THAT IMPROVEMENT BEFORE A BUILDING PERMIT FOR THAT IMPROVEMENT WAS ISSUED, COULD THAT BE WHAT THAT PARAGRAPH REFERS TO RATHER THAN THE BUILDING PERMIT FOR THE CONSTRUCTION OF THE BUILDING? IT IS JUST A QUESTION.

Bruce Washburn: I GUESS MY ANSWER TO THAT, VICE MAYOR. YOU HAVE GOT AN EXCELLENT POINT. THIS IS THE REASON WHY BEFORE MAKING AN IMPORTANT DECISION LIKE THIS, ONE WOULD WANT TO TAKE A FULL LOOK AT ALL OF THE FACTS SURROUNDING THE STIPULATION AND WHATEVER INTERPRETATION WAS MADE BY THE PERSON WHO ISSUED THE BUILDING PERMIT ALL THOSE FACTS NEED TO BE CONSIDERED IF YOU CONSIDER THAT STIPULATION RELEVANT TO WHETHER OR NOT YOU ARE GOING VOTE, WHETHER THERE HAS BEEN COMPLIANCE WITH THE CONDITIONAL ZONING STIPULATION.

Vice Mayor Klapp: THANK YOU. I WOULD LIKE TO CALL FOR THE QUESTION.

Mayor Lane: THERE'S A LITTLE POINT OF CONCERN HERE AS TO WHETHER WE MAKE ANY ASSUMPTION ON WHETHER SOMEONE HAS MADE A DETERMINATION. WE WILL VOTE ON THE ITEM THAT HAS BEEN MOVED. SO WITHOUT FURTHER DISCUSSION, WE DO HAVE A MOTION BY COUNCILMAN LITTLEFIELD. ALL THOSE IN FAVOR PLEASE INDICATED BY AYE, THOSE OPPOSED WITH A NAY. MOTION FAILS. THAT MOTION FAILS.

THE ONLY OTHER THING IS WHETHER OR NOT AT THIS POINT IN TIME, WE ARE TO MAKE ANY ASSUMPTION, I'M TALKING ABOUT THIS BODY HERE IS TO MAKE ANY ASSUMPTIONS ON THE BASIS OF WHAT STAFFS ACTIONS WERE IN ISSUING THE PERMIT AND WHETHER WE ARE DEALING WITH JUST THE ONE STIPULATION AS TO WHETHER OR NOT THERE WAS SUBSTANTIAL LEVEL OF ACTIVITY OR NOT AND WHETHER WE GO THROUGH THE OTHER ITEMS AS YOU ARE SUGGESTING, MR. WASHBURN. COUNCILMAN ROBBINS.

Councilman Robbins: MAY I ASK A QUESTION TO MR. WASHBURN. THE WAY I AM THINKING ABOUT THIS AND WHAT YOU ARE SUGGESTING IS WE DON'T HAVE THE ANSWERS TO THE QUESTIONS SO WE ARE NOT SURE IF THE BUILDING PERMIT SHOULD HAVE BEEN ISSUED IN THE FIRST PLACE AND IF THAT'S THE CASE WE DO HAVE AN ISSUE OF WHETHER THE TIME STIPULATION HS BEEN COMPLIED WITH. A HYPOTHETICAL IF IT WAS NOT LEGALLY ISSUED THEY SHOULDN'T HAVE STARTED CONSTRUCTION THEREFORE THE TIME STIPULATION WOULDN'T HAVE BEEN COMPLIED WITH. IS THAT A SCENARIO THAT'S POSSIBLE OR IS THE HORSE ALREADY OUT OF THE BARN AND THAT CAN'T BE THE CASE NOW BECAUSE THEY HAVE ALREADY STARTED CONSTRUCTION?

[Time: 05:03:30]

Bruce Washburn: COUNCILMAN, THAT'S A LEGAL ISSUE, THAT THERE'S NOT A SIMPLE ANSWER REGARDING THE RELIANCE OF A PARTY ON A BUILDING PERMIT THAT HAS BEEN ISSUED SO I CAN'T GIVE YOU A YES OR NO ON IT BUT IF YOU ARE ASKING ME IF WE DEVELOP MORE FACTS COULD WE GET A GOOD ANSWER ON THAT QUESTION. THE ANSWER IS YES. I CAN GET YOU A GOOD ANSWER BUT WHETHER THE EFFECTIVENESS OF THE BUILDING THAT HAS BEEN ISSUED SUBJECT TO POSSIBLE IRREGULARITIES IS NOT SOMETHING THAT THERE IS AN EASY ANSWER TO THAT QUESTION. YOU NEED TO LOOK AT ALL THE FACTS RELEVANT.

Councilman Robbins: YES, IT DOES. LET ME FOLLOW UP THEN ON THAT. SO, WHEN YOU SAID EARLIER THAT WE NEED MORE ANSWERS TO THE QUESTIONS THAT HAVE BEEN RAISED, ARE YOU SUGGESTING THAT WE CONTINUE THIS AND HAVE ANOTHER HEARING IN ORDER TO GET THE ANSWERS TO THOSE QUESTIONS?

Bruce Washburn: ACTUALLY WHAT I SAID IS THAT COUNCIL BELIEVES THE ANSWERS HAVE BEEN RAISED RELEVANT TO THE DECISION ON WHETHER OR NOT TO DETERMINE THERE HAS BEEN COMPLIANCE WITH THE STIPULATION. IF YOU THINK THOSE ARE IMPORTANT, THEN MAKE SURE YOU GET THE FACTS AND GET THEM RIGHT. THIS IS NOT A DECISION YOU WANT TO MAKE WITHOUT SOUND FACTUAL BASIS, THE LAW REQUIRES THAT YOU HAVE A SOUND FACTUAL BASIS IN MAKING THIS DETERMINATION.

Councilman Robbins: THANK YOU.

Councilman Littlefield: SO NOW THAT COUNCILMAN PHILLIPS HAS ENLIGHTENED EVERYTHING ABOUT THESE STIMULATIONS AND YOU ARE NOT ABLE TO ANSWER THE QUESTION AS TO WHETHER OR NOT THEY HAVE ACTUALLY BEEN COMPLIED WITH CAN I ASSUME THAT YOU ARE YOU GOING RESEARCH THAT AND GET BACK TO US.

Dan Worth: ABSOLUTELY.

Councilman Littlefield: IT WOULD BE NICE, I THINK THE PUBLIC WOULD LIKE TO KNOW THAT IF WE GIVE PEOPLE ALL OF THESE VARIANCES ON THE BASIS OF PROMISES THEY MAKE THAT WE ARE ACTUALLY GOING CHECK TO SEE IF THEY FOLLOW THROUGH ON THE PROMISES.

Mayor Lane: THANK YOU, COUNCILMAN. YOU KNOW, THIS IS A LITTLE BIT OF A SQUIRRELY TYPE OF ISSUE AS FAR AS THIS GOES ALL THE WAY AROUND. BUT MY CONCERN IS THIS, IF IN FACT THERE WAS NO ACTION TAKEN ON THIS, ON THIS PETITION AND BY NO ACTION WE WERE SAYING WHATEVER THE STAFF HAS DETERMINED SITS IN PLACE. THERE IS A PROVISION THAT'S CALLED OUT FOR THAT IF IN FACT THE STIMULATION HAS NOT BEEN MET, THAT THE BUILDER IS NOTIFIED OF THAT CONDITION. I PRESUME, BECAUSE THEY WOULD HAVE TO COME BEFORE THIS BODY. THERE WOULD BE ARRANGEMENTS TO COME BEFORE THIS BODY.

THE DATE WAS APRIL 26 THAT SOME DETERMINATION WOULD HAVE BEEN MADE AS TO WHETHER THEY HAD COMPLIED WITH THE STIPULATION. AND IF THERE ARE FURTHER OTHER STIPULATIONS THAT THEY ARE NOT IN COMPLIANCE WITH, I THINK THEY NEED TO BE BROUGHT UP SEPARATELY. IF THERE'S ANOTHER ISSUE WHICH WE DON'T KNOW RIGHT NOW WHETHER THERE IS OR ISN'T, I THINK WE PROBABLY SHOULD JUST TAKE NO ACTION BECAUSE TO DO OTHERWISE IS GOING TO PUT AN UNDUE BURDEN ON PRESUMABLY THE PROGRESS THAT MAY BE INDICATED NOW THAT THEY WOULD MOVE FORWARD. IF WE SADDLE THIS WITH ANOTHER ISSUE, PARTICULARLY IF IT IS NOT CORRECT, WE PRETTY MUCH ARE DOOMED. WELL, DOOMED OR WHATEVER. WE ARE CERTAINLY GOING TO BE A LONGER PERIOD OF TIME BEFORE SOME ADDITIONAL FINANCING OR OTHERWISE CAN BE OBTAINED. SO, MY THOUGHT IS THAT WE DON'T KNOW WHETHER THESE STIPULATIONS ARE A VIOLATION OF THEM OR NOT, AND I AM NOT SURE THAT IT DOESN'T MEAN THAT IF THERE'S ANOTHER PROBLEM THEN THAT'S ANOTHER PROBLEM THAT NEEDS TO BE FACED. BUT WE HAVE NO DETERMINATION ON THAT WE ARE WORKING ON THE BASIS OF WHATEVER FACTUAL INFORMATION HAS BEEN GIVEN TO US WITH REGARD TO THEIR COMPLIANCE THE STIPULATION, GETTING PERMITS AND STARTING WORK. ON THAT BASIS, I WILL MAKE A MOTION WE TAKE NO ACTION IF THERE'S SUCH A THING AS TO TAKE AN ACTION TO TAKE NO ACTION. ANYHOW, I WOULD MAKE THAT MOTION.

Mayor Lane: OKAY. WOULD THE SECOND LIKE TO SPEAK? OKAY COUNCILMAN LITTLEFIELD.

Councilman Littlefield: I HAVE A QUESTION.

Mayor Lane: OKAY. I AM SORRY. JUST IN CASE THERE'S AN ISSUE WITH THAT, I AM SORRY, MR. WASHBURN.

Bruce Washburn: I JUST WANT TO CLARIFY THE MOTION BECAUSE THE MATTER THAT IS BEFORE THE COUNCIL RIGHT NOW IS THE CITIZEN PETITION. SO THE MOTION WOULD BE TO TAKE NO ACTION ON THE CITIZEN PETITION.

Mayor Lane: CORRECT.

Councilman Littlefield: MY QUESTION IS WHAT DOES IT MEAN TO TAKE NO ACTION, DOES THAT MEAN WE ARE LETTING THEM AFTER THE HOOK, WE MAY ACTION TODAY? WE ARE GOING TO WAIT FOR THE ACTING CITY MANAGER AND WHOEVER THE ZONING ADMINISTRATOR ACTUALLY IS TO COME BACK AND TELL US WHETHER OR NOT THESE STIPULATIONS WERE AGREED WITH. I MEAN THE BOTTOM LINE IS THIS LOOKS TO ME LIKE BASICALLY WHAT WE HAVE TOLD THESE GUYS IS YOU KNOW ALL OF THAT STUFF WE TOLD YOU TO DO TWO YEARS AGO. FORGET IT YOU DON'T HAVE TO DO ANY OF IT. WHAT DOES IT MEAN TO TAKE NO ACTION? ARE WE GOING TO TAKE ACTION SOME DAY? WHAT DOES THAT MEAN?

Mayor Lane: YOU'RE ASKING A QUESTION AND YOU DESERVE AN ANSWER SO I AM GOING TO TRY TO GIVE YOU ONE. IT IS LIKE ANY OTHER PETITION, YOU ARE TAKING NO ACTION ON IT, THERE'S NO GUIDANCE TO STAFF ON THIS AT ALL. WHAT IS IN PLACE IS IN PLACE, DETERMINATIONS NEED TO BE MADE. YOU HAVE ASKED FOR A CONFIRMATION THAT THESE WILL BE LOOKING INTO AND I THINK THAT HAS BEEN GIVEN TO YOU. IF THAT BECOMES A PROBLEM THAT BECOMES ANOTHER ISSUE IT WILL HAVE TO BE ADDRESSED. BUT AS TO THE ISSUE AT HAND WITH THIS PARTICULAR PETITION, THE MOTION HAS BEEN MADE AND SECONDED TO TAKE NO ACTION. COUNCILMAN PHILLIPS.

[Time: 05:10:03]

Councilman Phillips: IF I MAY AND THIS MIGHT HELP ALL CONCERNS I WOULD LIKE TO MAKE AN ALTERNATE MOTION AND THAT WOULD BE TO HAVE STAFF PROCEED WITH THE CONTINUE FOR 120 DAYS UNTIL SUCH TIME THAT TRAFFIC AND SAFETY HAVE BEEN RESOLVED TO ALL CONCERNED INCLUDING BUT NOT LIMITED TO THE REVISED BUILDING HEIGHTS AND DENSITY, ADDITIONAL INGRESS AND EGRESS AND THE GUEST PARKING. AFTER THE 120 DAY EXTENSION STAFF CAN PRESENT THE FINDING TO COUNCIL FOR APPROVAL OF THE NEW SITE PLAN AND THE TWO YEAR CONTINUANCE.

Councilman Littlefield: I WILL SECOND THAT.

Mayor Lane: ALL RIGHT. MOTION IS MADE AND SECONDED. BUT I HAVE TO ASK WHETHER OR NOT THAT'S WITHIN THE AGENDA OF WHAT WE ARE HERE TO VOTE ON AT ALL.

Bruce Washburn: MY CONCERN IS THAT TRAFFIC ISSUES AND COMPLIANCE WITH THE STIPULATION ARE NOT RELATED TO EACH OTHER. THEY HAVE EITHER COMPLIED WITH THE STIPULATION OR NOT. WHETHER OR NOT THEY HAVE COMPLIED DOESN'T CHANGE BASED ON WHETHER OR NOT THEY SOLVED ANY TRAFFIC ISSUES. I SAY THIS RELUCTANTLY, I TRY NEVER TO TELL COUNCILMEMBERS I THINK THEY CAN'T TALK ABOUT WHAT THEY TALK ABOUT. I DON'T THINK THAT'S WHEREIN THE AGENDA LANGUAGE, THESE ARE ISSUES THAT CAN BE ADDRESSED IN A DIFFERENT CONTEXT. I DON'T THINK IT IS COVERED BY THIS AGENDA.

Councilman Phillips: I THINK WHAT WE ARE TALKING ABOUT IS THE PETITION WHETHER TO ACCEPT IT OR NOT AND THE FIRST MOTION WAS TO SAY THAT YES DIDN'T MAKE IT AND THE THING IS OVER. I DON'T SEE WHY YOU CAN'T MAKE A MOTION TO SAY IT YES WE WILL GIVE THEM THE CONTINUANCE WITH THE STIPULATION.

Bruce Washburn: IF I MAY RESPOND COUNCILMAN MY CONCERN IS NOT WITH WHETHER OR NOT YOU ARE GOING TO GIVE THEM THE CONTINUANCE WITH STIPULATION IT WAS TIED IN THE TRAFFIC ISSUES. WHICH CAN'T BE TIED TO THE STIPULATION, THEY ARE TWO DIFFERENT ORDERS. THAT'S WHY I THINK IT IS NOT COVERED BY THIS AGENDA. I DON'T THINK THE AVERAGE CITIZEN WOULD UNDERSTAND THAT TRAFFIC ISSUES ARE RESOLVED UNDER AN AGENDA LIMITED TO DISCUSSION OF THE STIPULATION.

Councilman Phillips: WOULDNT IT BE UP DO THE APPLICANT IF THEY WANTED TO ACCEPT THAT.

Mayor Lane: THERE'S NOT AN APPLICANT HERE REALLY.

Bruce Washburn: YOU ARE ASKING WOULDNT IT BE UP TO THE DEVELOPER.

Councilman Phillips: I'M SORRY UP TO THE DEVELOPER IF HE FEELS THAT IS A GOOD COMPROMISE.

Councilman Phillips: THAT WOULD BE A VERY APPROPRIATE ISSUE TO RAISE IF THIS WAS THE HEARING ON WHETHER TO GIVE HIM A CONTINUANCE ON THE STIPULATION AFTER A DETERMINATION HAD BEEN MADE THAT IT HAD BEEN COMPLIED WITH. YOU CAN DO IT IN THAT CONTEXT BUT YOU CAN'T DO IT IN THIS CONTEXT WHERE THE ONLY ISSUE IS WHETHER THEY HAVE COMPLIED WITH THE STIPULATION. I FEEL STRONGLY THAT THAT IS WHAT THE OPEN MEETING LAW REQUIRES.

Councilman Phillips: I UNDERSTAND. BUT I DON'T WANT TO SAY THAT WE ARE NOT GOING TO DO ANYTHING ABOUT IT AND THAT'S BASICALLY SAYING WE ARE GIVING IT TO THEM. IF WE CONTINUE DO ANYTHING ABOUT THE PETITION, THAT'S FINE AS LONG AS THE STIPULATION THING ISN'T OVER WITH.

Bruce Washburn: MAY I RESPOND, MAYOR. STIPULATION THING ISN'T OVER WITH, COUNCILMEMBER.

Councilman Littlefield: OKAY. IN THAT CASE I WILL WITHDRAW THE SECOND AND MAKE A MOTION THAT WE CONTINUE THIS ITEM UNTIL THE ACTING CITY MANAGER HAS A CHANCE TO REPORT THE FACTS TO US ON THE QUESTION OF WHETHER OR NOT THOSE STIPULATIONS WERE COMPLIED WITH.

Mayor Lane: OKAY, NUMBER 1 WE WILL GO TO PROCEDURE. MAYBE WE WILL ASK THE CITY CLERK AS TO WHETHER OR NOT THERE WAS A MOTION ON THE TABLE THAT WE NEED TO HAVE THE MOTION MAKER RESCINDED?

[Time 05:14:29]

City Clerk Carolyn Jagger: I BELIEVE THE CITY ATTORNEY SAID THAT MOTION WASN'T IN LINE WITH THE AGENDA LANGUAGE SO WE KNOW LONGER HAVE THAT ALTERNATE MOTION ON THE TABLE. WE HAVE AN ORIGINAL MOTION THAT HASN'T BEEN VOTED ON YET.

Mayor Lane: COUNCILMAN IF YOU WANT TO GO WITH AN ALL TOGETHER NEW ALTERNATE MOTION WHICH IS WHAT YOU JUST GAVE.

Councilman Littlefield: I DON'T CARE IF IT IS A NEW MOTION OR AN ALTERNATE. I JUST MOVED THAT WE CONTINUE THIS ITEM UNTIL THE CITY MANAGER HAS A CHANCE TO REPORT TO US ON WHETHER THESE STIPULATIONS FOR THE BUILDING PERMIT HAVE BEEN COMPLIED WITH. WE CAN MAKE A DECISION BASED ON THE FACTS AS THE ESTEEMED CITY ATTORNEY SAID WE SHOULD MAKE THOSE KINDS OF DECISIONS. IN FACT I THINK THAT'S ACTUALLY A GOOD IDEA. ALSO YOU CAN TELL US WHO THE ZONING ADMINISTRATOR REALLY WAS.

Mayor Lane: OKAY, SECONDED BY COUNCILMAN PHILLIPS. SO THERE'S AN ALTERNATIVE MOTION ON THE TABLE MADE AND SECONDED WE ARE READY TO VOTE. ALL THOSE IN FAVOR SAY AYE. ALL THOSE OPPOSED SAY NAY. MOTION FAILED. WE GO BACK TO THE ORIGINAL MOTION AND THAT IS TAKE NO ACTION ON THE PETITION.

Vice Mayor Klapp: I SECOND. SORRY. WE HAD A SECOND. I LOST TRACK OF THE MOTIONS.

Mayor Lane: THAT'S OKAY. THOSE IN FAVOR SAY AYE, THOSE OPPOSED WITH A NAY MOTION PASSES 5/2, AS INDICATED HERE. SO THAT COMPLETES THE PETITION ITEM. IT IS PAST 10:00 SO WE WILL REQUIRE A VOTE TO CONTINUE, AND MAYBE OUR COUNCILMAN LITTLEFIELD IS LOOKING TO DO JUST THAT.

#### **15. Visioning Scottsdale Town Hall Report**

CONTINUED TO MAY 14, 2013.

#### **16. General Plan 2014 Written Procedures and Adoption Calendar**

CONTINUED TO MAY 14, 2013.

#### **17. Scottsdale General Plan 2014 Task Force**

CONTINUED TO MAY 14, 2013.

Councilman Littlefield: I MAKE A MOTION THAT WE CONTINUE ITEMS, THE THREE GENERAL PLAN ITEMS SINCE IT IS AFTER 10:00.

Mayor Lane: OKAY, MOTION MADE TO CONTINUE WITH THE ITEMS ON THE CURRENT AGENDA. CONTINUE ON. OKAY. MOTIONS WERE MADE AND SECOND. ALL OF THOSE IN FAVOR THEN, NO FURTHER COMMENT ON THAT? PLEASE INDICATE WITH AYE AND THOSE OPPOSED WITH A NAY. IT IS UNANIMOUS TO CONTINUE. WE GO BACK TO ITEM 15 AND IT'S THE VISIONING TOWN HALL REPORT AND WE HAVE MARY VANDEVORD.

Councilman Littlefield: THAT'S WHAT WE JUST CONTINUED.

Mayor Lane: OH. I THOUGHT YOU WERE VOTING TO CONTINUE.

Vice Mayor Klapp: NO.

Mayor Lane: I'M SORRY TO THE NEXT MEETING. I THOUGHT BOY THIS IS GETTING TO BE A STRONG CROWD. 10:30 AND THEY'RE READY TO GO UNTIL MIDNIGHT. ALL RIGHT IF THAT'S THE CASE, THEN MY VOTE IS STILL ON THAT LINE.

## **19. RECEIPT OF CITIZEN PETITIONS**

[Time: 05:18:05]

Mayor Lane: WE HAVE CITIZEN PETITIONS, THE TWO PRESENTED EARLIER THIS EVENING. ONE IS ON THE ARIZONA MULTI-USE CANAL PROJECT. I HAVE A MOTION TO EITHER NO ACTION, TAKE ACTION OR TO, I GUESS THAT'S PRETTY MUCH IT. THE FIRST ONE THIS IS ON THE MULTI-USE CANAL PATH PROJECT ON CHAPARRAL AND INDIAN BEND LOCATION.

Mayor Lane: COUNCILMAN LITTLEFIELD.

Councilman Littlefield: I MOVE WE AGENDA THIS PETITION.

Councilmember Phillips: SECOND.

Mayor Lane: MOTION HAS BEEN MADE TO AGENDIZE THIS ITEM AND HAS BEEN SECONDED. WOULD THE SECOND LIKE TO SPEAK?

Councilmember Phillips: NO.

Mayor Lane: OKAY. ANY OTHER COMMENTS ON THE COUNCIL OR ARE WE READY TO VOTE ON IT? THE MOTION IS ON THE TABLE. YES, COUNCILMAN ROBBINS.

Councilmember Robbins: LET ME ASK A QUESTION OF MR. WORTH. I RECALL READING AN E-MAIL ABOUT WHAT WE ARE ACTUALLY DOING WITH THIS AS FAR AS THE PLANNING PROCESS, THE HEARINGS, AND THINGS THAT ARE STILL HAPPENING. CAN YOU JUST REFRESH MY MEMORY ABOUT WHAT IS GOING ON WITH THIS? I THINK THE NEIGHBORHOOD CONCERNS ARE PREMATURE IN PROCESS. I THINK THERE'S STILL A LOT OF WORK TO BE DONE, IF YOU COULD REMIND ME. DEREK IS STILL HERE.

Dan Worth: MAYOR, COUNCILMAN ROBBINS WHILE WE WAIT FOR DEREK TO GET UP TO THE MIKE. HE'S QUICK, SO IT'S NOT A LONG WAIT. WE ARE STILL VERY EARLY IN THE CONCEPTUAL PROCESS, CONCEPTUAL PHASES OF THIS. THERE'S STILL AMPLE OPPORTUNITY TO CONSIDER DESIGN ALTERNATIVES. DEREK, HE SEEMS TO AGREE.

Derek Earle: MAYOR, COUNCILMAN ROBBINS I DIDN'T CATCH THE FIRST PART BUT I ASSUME YOU WANT THE STATUS. WE ARE IN THE VERY EARLY CONCEPTUAL STAGES. WE DO WHAT IS CALLED A 30% DESIGN. THAT'S WHERE WE ARE RIGHT NOW. IN THAT PROCESS WE GO OUT TO THE PUBLIC OUT

REACH THAT HAS GENERATED THE INTEREST. THE NEXT STEP WILL BE TO GET FURTHER PUBLIC OUTREACH TO TAKE TO THE TRANSPORTATION COMMISSION. WE ARE A LONG WAY FROM A FINAL DESIGN ON THIS PROJECT.

Councilman Robbins: IS THERE A POSSIBILITY THAT GETS MOVE T ON THE OTHER SIDE? IS THAT STILL IN THE REALM OF POSSIBILITY? EVERYTHING IS STILL ON THE TABLE.

Derek Earle: ABSOLUTELY. AS A MATTER OF FACT, TRANSPORTATION DEPARTMENT HAS CHOSEN TO PUT THE OTHER SIDE OF THE CANAL BACK ON THE AGENDA FOR CONSIDERATION.

Councilman Robbins: THANK YOU.

Mayor Lane: OKAY. COUNCILMAN LITTLEFIELD.

[Time: 05:21:03]

Councilman Littlefield: WELL, IF YOU ARE NOT FAR ALONG IN PROCESS HOW COME YOU ARE PRESENTING TO THE TRANSPORTATION COMMISSION ON JUNE 20 AND PRESENTING IT TO THE DESIGN REVIEW BOARD (DRB) RIGHT AFTER THAT?

Derek Earle: MAYOR, COUNCILMAN, I DON'T HAVE THE EXACT DATES ON THE DRB AND I DIDN'T COME DOWN HERE PREPARED WITH WHETHER THAT WAS GOING TO THE DRB AFTER THE TRANSPORTATION COMMISSION. BUT I THINK THAT THE TRANSPORTATION DEPARTMENT IS PLANNING ON PRESENTING THE ALTERNATIVE ALIGNMENT TO THE TRANSPORTATION COMMISSION, RECEIVING PUBLIC FEEDBACK AND THAT MEETING AND HAVING THE TRANSPORTATION COMMISSION MAKE A DETERMINATION OF THE PREFERRED ROUTE.

Councilman Littlefield: WHEN ARE YOU PLANNING ON BRINGING THIS IN FRONT OF THE DRB?

Derek Earle: I DON'T HAVE A DATE FOR YOU. THERE'S NOT A PARTICULAR RUSH ON THIS PROJECT, WE ARE WILLING TO DEFER TO THE DRB. WE USUALLY PLAN IN ADVANCE FOR A DRB MEETING. IF WE DON'T HAVE ALL OF THE DEFINITIVE INFORMATION WE WILL TABLE IT AND MOVE FORWARD TO A LATER DRB MEETING.

Mayor Lane: THANK YOU COUNCILMAN. DEREK JUST ONE ADDITIONAL QUESTION, I DON'T KNOW IF YOU HAVE READ THE PETITION OR NOT BUT I AM WONDERING WHETHER OR NOT BUT MOST OF WHAT THEY'RE ASKING FOR HERE IS EITHER IN THE PROCESS OF BEING ACCOMPLISHED OR IT WILL BE ACCOMPLISHED. I DON'T KNOW WHETHER YOU HAVE READ THIS OR NOT. ONE THING THAT I SEE THAT IS A STANDARD ITEM ON HERE, IF WE ARE IN THE NORMAL PROCESS AND IT HASN'T BEEN ACCOMPLISHED AND THERE'S NOT A FAST TRACK AND THAT'S THE REQUEST TO HAVE THAT IT GO TO THE TRANSPORTATION OR THE DEVELOPMENT REVIEW UNTIL AFTER THE CITY COUNCIL WHICH IS NOT IN THE NORMAL COURSE OF EVENTS THAT YOU WOULD DO THAT PROCESS BEFORE THE OTHERS, THE OTHER OUT REACH AND THE OTHER COMMISSION AND ANY OTHER PROCESS IN THIS IT WOULD COME TO US AFTER TRANSPORTATION COMMISSIONER. WOULD IT NOT? JUST KILL THE OFFENDING MICROPHONE.

Derek Earle: MAYOR, IT IS POINTED DIRECTLY AT MY MOUTH INSTEAD OF TALKING ON THE SIDE. APPARENTLY IT WORKS MUCH BETTER. YES, I AM WILLING TO CONSIDER DELAYING THE TRANSPORTATION COMMISSION PRESENTATION. I AM SPEAKING IN THE ABSENCE OF THE TRANSPORTATION DIRECTOR, SO I AM GETTING SPECULATIVE: BUT I KNOW THERE'S NO RUSH ON THE PROJECT AND WE WANT TO MAKE SURE IT IS DONE RIGHT AND WE HAVE SUFFICIENT PUBLIC OUT REACH. SO IF IT WOULD PLEASE THE COUNCIL, I CAN REPORT BACK AND WE DO HAVE THE OPPORTUNITY TO DELAY THAT I CAN GIVE YOU AN UPDATE ON THAT.

Mayor Lane: IF THAT'S THE CASE, I DON'T KNOW IF THAT STANDS AS SATISFACTORY TO SOME BUT THE ONLY OTHER PROVISION IS CALLING FOR THE CITY COUNCIL PUBLIC HEARING PRIOR TO TRANSPORTATION OR DRB. THAT WOULD BE OUT OF ORDER AT THE VERY LEAST. I AM NOT SURE I AM ANXIOUS TO CIRCUMVENT THE NORMAL PROCESS. THAT'S THE ONLY PART OF THE PETITION I FELT A LITTLE OUT OF THE NORM BUT IN ANY CASE, MY ONLY CONCERN WITH WHAT'S ON THE TABLE HERE WITH US. UNLESS THERE'S ANY OTHER COMMENTS I THINK WE ARE READY TO VOTE ON THE MOTION MADE. ALL THOSE IN FAVOR, INDICATE WITH I AND OPPOSED WITH A NAY.

Vice Mayor Klapp: WHAT MOTION WAS IT?

Mayor Lane: TO AGENDA THE PETITION. AND IT WAS SECOND. THOSE OPPOSED WITH A NAY MOTION FAILS 5-2. THAT CAN MEAN ONE OF TWO THINGS THAT NO ACTION IS TAKEN JUST BY DEFAULT OR WE CAN TAKE IT SPECIFIC CALL FOR THAT. I ALWAYS TURN TO MS. JAGGER WHEN I ASK THAT QUESTION AS TO WHAT SHE WOULD PREFER TO HAVE US TO DO, TO MAKE A MOTION TO TAKE NO ACTION OR JUST IT DIES BY VIRTUE OF THE FACT.

City Clerk Carolyn Jagger: EITHER ONE, IT IS WHATEVER IS COUNCIL'S PLEASURE ON THIS.

Mayor Lane: OKAY. WELL, THEN I THINK WE ARE DONE ON THAT ONE. THE NEXT PETITION IS REGARDING THE HIGH CAPACITY TRANSIT PRESENTED BY JIM DEROUIN AND JERRY GETTINGER.

THIS IS CALLING FOR THE UNDERSIGNED AS EMPLOYERS AND CITIZENS IN SCOTTSDALE DO RESPECTFULLY REQUEST THAT CITY COUNCIL DIRECT THE CITY'S TRANSPORTATION DEPARTMENT TO GATHER INFORMATION TO INITIATE A DIALOGUE TO EXAMINE FEASIBILITY OF HIGH CAPACITY TRANSPORTATION AND AVAILABLE OPTIONS. THE REPORT SHOULD INCLUDE FUTURE NEEDS IN CONJUNCTION WITH SUR ROUNDING COMMUNITIES, WE REQUEST THAT THE REPORT BE PREPARED SO THAT IT WILL SERVE TO UPDATE SCOTTSDALE'S TRANSPORTATION MASTER PLAN AND REQUEST THAT THE REPORT INVESTIGATE VARIOUS TYPES OF HIGH TRANSPORTATION. THE REPORT SHOULD EXAMINE HIGH CAPACITY TRANSPORTATION AND ITS EFFECT ON BUSINESS TOURISM AND SCOTTSDALE'S GENERAL POPULATION WITH PARTICULAR EMPHASIS ON THE AGING COMMUNITY. THAT'S THE PETITION. COUNCILMEMBER KORTE.

Councilmember Korte: MAYOR, I WOULD LIKE TO MAKE A MOTION TO DIRECT OUR CITY MANAGER TO DIRECT THE CITY'S TRANSPORTATION DEPARTMENT TO GATHER INFORMATION IN ORDER TO INITIATE A DIALOGUE AND EXAMINE THE FEASIBILITY OF HIGH CAPACITY TRANSIT.

Mayor Lane: WE HAVE TO MAKE A MOTION TO TAKE ACTION OR NOT.

Councilmember Korte: THAT'S WHAT I AM DOING.

Mayor Lane: ARE YOU ACTUALLY RESTATING THIS IN THE MOTION.

Councilmember Korte: PRETTY MUCH. I AM REQUESTING THE CITY MANAGER TO REPORT BACK TO THE CITY COUNCIL REGARDING A FEASIBILITY OF A DIALOGUE.

Councilman Littlefield: THAT'S NOT AN OPTION.

Councilmember Korte: YEAH, IT IS.

Councilman Littlefield: NO, THE OPTION IS EITHER AGENDIZE IT OR NOT.

Mayor Lane: CITY MANAGER CAN RESPOND TO IT. BUT THE ONLY THING I AM CONCERNED ABOUT IS WHETHER IT IS SPECIFICALLY TO THE POINT OF THE PETITIONS, IF IT IS THE SAME THING. I WILL ASK THE CITY ATTORNEY, DO WE NEED TO ASK THE CITY MANAGER TO ADDRESS THIS AND REPORT BACK TO US OF COURSE.

Bruce Washburn: IT IS AGENDIZED FOR THREE OPTIONS, ONE OF WHICH IS VERY CLOSE TO WHAT THE COUNCILMEMBER WAS ASKING, YOU CAN EITHER TAKE NO ACTION, DIRECT THE CITY MANAGER TO A AGENDIZE THE PETITION FOR DISCUSSION OR TO INVESTIGATE AND PREPARE A WRITTEN RESPONSE TO THE COUNCIL WITH A WRITTEN COPY TO THE PETITIONER.

Councilmember Korte: SO IS THE MOTION CLEAR.

Bruce Washburn: I'M ASSUMING IT IS TO HAVE THE CITY MANAGER INVESTIGATE THE MATTER AND PREPARE A WRITTEN RESPONSE TO COUNCIL WITH A COPY TO THE PETITIONER.

Councilmember Korte: AND, I WOULD LIKE TO PUT A TIME LINE IN THERE AND MR. WORTH IS 30 DAYS, 45 DAYS PLENTY FOR THAT?

Dan Worth: MAYOR, MEMBERS OF COUNCIL, ASSUMING THAT THE RESPONSE IS AS YOU JUST STATED A MOMENT AGO; ADDRESSING THE FEASIBILITY AND VIABILITY OF DOING THE STUDY THAT IS SUGGESTED BY THE PETITIONER AND IT IS NOT INTENDED TO GET INTO THE MEAT OF THE STUDY. 30 DAYS IS CERTAINLY FEASIBLE.

Councilmember Korte: THANK YOU.

Mayor Lane: THAT WAS A MOTION MADE AND SECONDED; CORRECT? OR NOT?

Councilwoman Milhaven: I DON'T KNOW IF MY QUESTION IS APPROPRIATE BECAUSE IT IS THREE THINGS.

Mayor Lane: IF THEY'RE ALL RELATED TO THIS PETITION IT WILL BE FINE.

Councilwoman Milhaven: I WOULD LIKE TO AGENDIZE IT. CAN WE DISCUSS THE VIRTUE OF AGENDIZING VERSUS ASKING FOR REPORT?

Mayor Lane: FIRST, WE HAVE A MOTION ON THE FLOOR.

Councilwoman Milhaven: I AM TRYING TO DECIDE WHETHER OR NOT I WANT TO SECOND IT. CAN WE DISCUSS THE RELATIVE MERITS OF A REPORT VERSUS AGENDIZING IT FOR A FUTURE MEETING, IS THAT ALLOWED?

Bruce Washburn: YES, AS LONG AS YOU DON'T GET INTO THE MERITS OF IT.

Councilwoman Milhaven: THANK YOU. COUNCILWOMAN, COULD YOU EXPLAIN WHY YOU ARE REQUESTING A REPORT RATHER THAN A FUTURE AGENDA ITEM?

Councilmember Korte: QUITE HONESTLY I WANT TO TAKE THE AVENUE OF LEAST RESISTANCE TO GET SOMETHING MOVING.

Councilwoman Milhaven: IN THAT CASE I WILL SECOND THE MOTION.

Mayor Lane: ANY OTHER COMMENTS.

Councilman Littlefield: SO IS THE MOTION WE TAKE THE PATH OF LEAST RESISTANCE? WHAT IS THE MOTION?

Mayor Lane: ALL RIGHT.

Councilman Littlefield: I AM SORT OF SERIOUS. WHAT'S THE MOTION?

Mayor Lane: SO WE DO HAVE A FIRST AND A SECOND AND A SECOND HAS SPOKEN TOWARD THAT. THAT IS COULD YOU GIVE ME THAT BACK.

Bruce Washburn: THE MOTION IS TO DIRECT THE CITY MANAGER TO INVESTIGATE THE MATTER AND PREPARE A WRITTEN RESPONSE TO COUNCIL WITH A COPY TO THE PETITIONER WITHIN A 30 DAYTIME LINE.

Mayor Lane: OKAY. UNLESS THERE'S FURTHER COMMENT WE ARE READY TO VOTE ON THAT MOTION. ALL IN FAVOR SAY AYE ALL OPPOSED SAY NAY. SO WE HAVE COMPLETED THE TWO PETITIONS. WE HAVE NO FURTHER PUBLIC COMMENT UNLESS THERE'S AN ITEM TO BE DISCUSSED I DON'T BELIEVE THERE IS, I WILL ACCEPT A MOTION TO ADJOURN. ALL RIGHT I THINK THAT EVEN QUALIFIES AS A VOTE.

WE ARE ADJOURNED. THANK YOU VERY MUCH.

**ADJOURNMENT: 10:36 P.M.**