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#### **CALL TO ORDER**

[Time: 00:00:01]

Vice Mayor Korte: So now we are calling to order the City Council Meeting for November 12th, 2013. And roll call?

#### **ROLL CALL**

[Time: 00:00:17]

City Clerk Carolyn Jagger: Thank you, Your Honor. Mayor Jim Lane, absent. Vice Mayor Virginia Korte.

Vice Mayor Korte: Here.

Carolyn Jagger: Councilmembers Suzanne Klapp.

Councilmember Klapp: Here.

Carolyn Jagger: Bob Littlefield.

Councilman Littlefield: Here.

Carolyn Jagger: Linda Milhaven.

Councilwoman Milhaven: Here.

Carolyn Jagger: Guy Phillips.

Councilman Phillips: Here.

Carolyn Jagger: Dennis Robbins.

Councilman Robbins: Here.

Carolyn Jagger: City Manager Fritz Behring.

Fritz Behring: Here.

Carolyn Jagger: City Attorney Bruce Washburn.

Bruce Washburn: Here.

Carolyn Jagger: City Treasurer Jeff Nichols.

Jeff Nichols: Here.

Carolyn Jagger: City Auditor Sharron Walker.

Sharron Walker: Here.

Carolyn Jagger: And the Clerk is present.

Vice Mayor Korte: Thank you, Clerk Jagger. Tonight, just a little bit of protocol, we have speaking cards and written comments are available on the table to my right. Our wonderful City Clerk is holding them up, and her staff are here to assist anyone in that area. Yellow cards are written comments and white cards are requests to speak. Scottsdale police officers, Greg Carlin and Tom Cleary are up over here, and here to assist anyone. Thank you for being here, as always. The areas behind the Council dais are for staff and Council access only. There are restrooms on the south side of the Kiva for your convenience, which is over there.

**PLEDGE OF ALLEGIANCE**

[Time: 00:01:34]

Vice Mayor Korte: So with that, I would like to ask the Girl Scout Troop 877 and their leader Andrea Brugger to lead us in the Pledge of Allegiance. Please stand.

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.

Vice Mayor Korte: Thank you. And would you like to introduce yourselves and maybe name and

where you are going to school and what is your favorite subject.

Girl Scout Troop 877: My name is Emma and I go to Desert Canyon, and my favorite subject is morning journal. My name is Kate. I go to Desert Canyon Elementary, and my favorite subject in school is reading. Hi, I'm Reagan. I go to Redfield Elementary. My favorite subject in school is math. My name is Nicole and I go to Desert Canyon Elementary. My favorite subject is P.E. My name is Molly. I go to Desert Canyon. My favorite subject is art. Hi, my name is Jori, I go to Desert Canyon. My favorite subject is science. Hi, I'm Madison. I go to Desert Canyon Elementary and my favorite subject is math. My name is Elena. I go to Desert Canyon. My favorite subject is math. My name is Allana and I go to Desert Canyon and my favorite thing to do is math.

Vice Mayor Korte: Well, thank you very much! Thank you, Girl Scout 877 and thank you, parents for engaging in this great program. Thank you.

### **INVOCATION**

[Time: 00:03:48]

Vice Mayor Korte: tonight's invocation, may I ask for a moment of silence for the typhoon victims in Southeast Asia. Thank you. There is no mayor's report tonight. City Manager? No City Manager report. Any presentations, announcements?

### **PUBLIC COMMENT**

[00:04:30]

Vice Mayor Korte: Moving forward to public comment on the agenda. Public Comment is reserved for citizen comments regarding non-agendized items with no official Council action taken on these items. Speakers are limited to three minutes each, with a maximum of five speakers. There will be another opportunity for public comment at the end of the meeting. So we have two individuals wishing to speak during this time. Kathy Littlefield.

[Time: 00:05:09]

Kathy Littlefield: Thank you. My name is Kathy Littlefield and I live at 8926 East Sheena Drive. I'm here tonight to talk about the city bonds which were rejected by the Scottsdale voters a week ago. I was the chairperson for the group which opposed the city bonds. During the campaign, I met and spoke with residents up and down the length and the breadth of the city and here are the concerns that I heard: first, the bond package was too large. You asked for too much. More than they wanted to increase their property taxes to fund. People are very concerned about our economic future right now. Next, there was not enough transparency.

People are fearful and distrustful of government at all levels. Many did not believe that the items they wanted would actually be built or feared that those that they did not care about would be built first.

They saw a lot of waste, slush, for special interest and developers that they did not want their property taxes to fund. This only served to further increase their distrust of the format of the bonds and of your plans for the money if the bonds passed. Finally, they resented the attitude on the part of some of you that voters should just pass the bonds and then get out of the way.

Trust us, you said. Again, that added to the lack of trust and transparency throughout the city. If you don't want to believe that the voters lack trust in the city government, just look at the numbers. The bonds didn't just lose. They were crushed 60-40. That is huge for a city election. But Scottsdale citizens do care about the city. They want critical needs funded and they want it done right and they want the assurances that their money is being spent wisely. The first thing you should do now is show Scottsdale voters that you are serious about fiscal responsibility. Fund as many of the highest priority projects as possible, and immediately by cutting General Fund spending. If you still believe a property tax increase is necessary to fund critical city needs, ask for the approval from the voters by giving them a bond package that is leaner, more transparent and more accountable. So I suggest this for your consideration, put together a bond package of the 20 highest priority projects as reviewed by the bond task force. Each item to be voted on separately for its own merit. Our citizens are very capable of deciding which projects they deem worthy enough to warrant increasing their property taxes to fund.

Put an estimate price tag on each item. They also understand cost estimates. That would give us a bond package of about \$82 million, covering most of the important needs in the city. I believe you could stand a good chance of getting most of these items passed, especially since many of them deal with public safety issues, which are most important to the citizens of the city. It might even help bridge the gap of distrust that I encountered by the voters for the city government. Thank you very much.

Vice Mayor Korte: Thank you, Mrs. Littlefield. Sonnie Kirtley.

[Time: 00:08:31]

Sonnie Kirtley: Good afternoon, Vice Mayor Korte. I should probably say my name is Sonnie Kirtley and I come from Highland and I went to Navajo School. I'm with C.O.G.S., Coalition of Greater Scottsdale, which represents small merchants in the city of Scottsdale. Our address is 3370 North Hayden Road. My comments are also related to the voting results last Tuesday. Unfortunately we seem to be in a three-year trend. Oops, of voter rejection. It's very uncomfortable for the residents. It's uncomfortable for the City Council as well. 2010, three years ago we had losses on two of our bonds, one for transportation, and one for public safety, and, of course, the general plan update, 51% opposed to it. We're working on that now in the task force. Hopefully we can get it right.

And then came horrible Tuesday as Mrs. Littlefield stated, it was a resound no. The big concern is the disconnect. This City Council is putting on our ballot bond issues and questions, these four questions that apparently are disconnected with what the public is asking for. So what's the message to Council? Much like the Keep Scottsdale Special group, our C.O.G.S. to our newsletters sent multiple, multiple emails, previously and of the Tuesday bond issue. The question seems to be, are you really listening? Really listening to us? We warned you ahead of time, it's too big, too much, didn't like the packaging.

We are not supportive of all of these projects.

Why didn't you line it up so that it could be the most critical, the ones mandated? We are ready to go with those. It would have given us an opportunity to say yes, if that was question one. And if you get down to the wish list, we could look in our pockets and say, uh-uh. We can't go there right now. Maybe later. So two of the common responses, this one was far more eloquent, capital improvement projects should be funded through the operating budget and proper reserve funding and not left for bond election. And then there's the more common ones, my family is on a budget. Why isn't the city on a budget where they are only meeting the revenues? So the question is: what now? Because the what now is the important thing to be answered. C.O.G.S. is recommending something called conversations with Council. Not a hired consultant multi, multi-dollars but conversations with us. Sit down in the kiva, in the senior centers, do it informally. Identify the specific projects that are absolutely critical.

Number three, minimize the list. Number four, it's going to be tough to do because our pockets are pretty empty but see if you can find any place in the current city of Scottsdale funds to take care of the mandated projects whether it's one or two or three, do what you can now and then in the meantime inform the public what's left. Let us know what is critical. Let us know. It's our city too. And then number six, seven, eight, give us a chance. We are ready to go ahead and support critical needs and approve it. Thank you.

Vice Mayor Korte: Thank you, Mrs. Kirtley. That concludes public comment.

## **MINUTES**

[Time: 00:12:26]

Vice Mayor Korte: I would like to move on to the minutes. Do I have a motion to approve the regular meeting minutes of October 8<sup>th</sup>, the work study session minutes of October 8<sup>th</sup>, the special meeting minutes of October 22<sup>nd</sup>, and the regular meeting minutes of October 22<sup>nd</sup>?

Councilwoman Klapp: So moved.

Councilman Robbins: Second.

Vice Mayor Korte: It's been moved and seconded. Any further discussion? All those in favor say aye. 6-0. Thank you.

## **CONSENT AGENDA**

[Time: 00:13:01]

Now we move on to consent items 1 through 15. Is there discussion? Is there a motion to approve items 1 through 15?

Councilmember Phillips: So moved.

Councilwoman Klapp: Second.

Vice Mayor Korte: It's been moved and seconded to approve consent items 1 through 15. Is there any further discussion? All those in favor? Thank you. 6-0. We move on. Thank you.

#### **ITEM 16 – PRESERVE LAND ACQUISITION**

[Time: 00:13:48]

Vice Mayor Korte: Now we go to our regular agenda item number 16, regarding a Preserve land acquisition. This item was initiated by Councilmember Phillips to provide direction to staff to initiate the process to determine whether to acquire 40 acres of land located near 128<sup>th</sup> street and Pinnacle Peak Road. Would Councilmember Phillips like to speak to this?

Councilmember Phillips: Yes. Thank you, Vice Mayor. And thank you, Council, for allowing this to be on the agenda at the last minute. I think what we have here is an opportunity that hasn't come up before, to possibly get some property adjacent to the Preserve, at a below market rate. And I believe Mr. Ekblaw has a little bit of presentation to help us along that line.

Vice Mayor Korte: Thank you Mr. Ekblaw.

[Time: 00:14:48]

Executive Assistant, Strategic Projects Kroy Ekblaw: Thank you Vice Mayor, members of the Council. Kroy Ekblaw, Preserve Director. The graphic before you is one that you should be familiar with, the strategic acquisition map. The parcel in question here this evening is highlighted in this red dot here. We'll zoom in on that. We have the Tom Thumb Trail Head which is existing at this location, to the south of this property. The areas in green are those lands that have been protected for the Preserve. The parcel in question is part of a 120-acre, and I will zoom in a little bit more here parcel that has both washes, boulder outcrops, good wildlife habitat and part of wildlife corridor considerations. This portion of the property to the west does have some ranching facilities, old ranch structures and storage facilities on it. The parcel itself, the total property is approximately 120 acres. Consideration interest in acquiring some portion of it just for scale, that would be a 40-acre parcel in that particular location, and I would be happy to answer any questions that the Council might have with regards to the property or the process.

Vice Mayor Korte: Thank you, Mr. Ekblaw.

Councilmember Phillips: I believe you said, I'm sorry. I shouldn't have jumped on that.

Vice Mayor Korte: That's okay. Go ahead.

Councilmember Phillips: You said it possibly and if we get to vote, that you might even consider 80 acres in this?

Kroy Ekblaw: The opportunity along this edge of the property line, what would be the western edge of the Preserve, as it exists today, over the eastern edge of this property is such that both this parcel, or this portion of the property and even some portion of the property continuing to the north along that edge, would widen the corridor and would be of potential interest. We would certainly want to, if Council wants to direct staff to look into this further, we would involve the Preserve Commission and do further due diligence and bring back additional information in the not too distant future.

Councilmember Phillips: Okay. Well, thank you. Is there any discussion?

Vice Mayor Korte: I think Councilman Littlefield would like some time. Councilman Littlefield.

Councilman Littlefield: I would like to what? Opine? Where would the money come from for this?

Kroy Ekblaw: If it's for the purpose the Preserve, it would come from the Preserve sales tax fund.

Councilman Littlefield: But this is not in the recommended Preserve boundary.

Kroy Ekblaw: It is immediately adjacent to the Preserve boundary and as such, both the 1995 and 2004 sales taxes allow for acquisition of lands either in or immediately adjacent to the recommended study boundary. So this parcel, that edge I was pointing out would qualify for consideration. It does not have to, but it would qualify.

[Time: 00:18:06]

Councilman Littlefield: All right. And then since the Preserve Commission already has an acquisition strategy, which obviously doesn't include this, if we went forward with this part of going forward, we would go to them and to run this by them?

Kroy Ekblaw: Absolutely. We would bring that before the commission and you would have a recommendation that would come back to you from the Preserve Commission.

Councilman Littlefield: Thank you.

Vice Mayor Korte: Thank you. Councilman Robbins?

Councilman Robbins: Thank you, Vice Mayor. Kroy, do you have a ballpark idea what they could have per acre is since we are quickly running out of money in the Preserve fund? I want to know what we are talking about so that, I mean, is it even within the budget that we have set?

Kroy Ekblaw: We would certainly be doing appraisal work and additional look. We know that lands in

the area over the last year and a half have sold anywhere from undeveloped raw land \$30,000 to \$40,000 an acre to developed, improved lots upwards of \$150,000 an acre.

Councilman Robbins: So this land is currently for sale. What's the cost per acre on the market.

Kroy Ekblaw: I'm not aware that it's actually on the market at an advertised price. We would, I think there's been an interest expressed by the trust and we would have to have a discussion about what the actual, their, both acreage and price would be.

Councilman Robbins: Okay. Thanks.

Vice Mayor Korte: Thank you, Councilman Robbins. Councilman Phillips?

Councilmember Phillips: Thank you. And I would like to stress that I would not be in support of this if it was anything less than under market value. I want to make sure that if there this is a Preserve acquisition that we are getting a good deal for it. So with that in mind, I would like to make the motion to move to provide direction to staff to initiate process to determine whether to acquire the 40 acres of land located approximately a half mile east of 128<sup>th</sup> street and a quarter mile north of the extension of east Pinnacle Peak Road.

[Time: 00:20:12]

Councilman Littlefield: Second.

Vice Mayor Korte: That's been moved and seconded. I think I know that there's probably further discussion. There is a public comment card. Perhaps it would be appropriate to allow public comment on item number 16. Thank you, Councilman Littlefield, I'm glad you agree. Mr. Mayer.

[Time: 0020:37]

Mike Mayer: Good evening, Vice Mayor and City Council. Thanks for a chance to talk. I spoke earlier today at Maricopa County parks and recreation, and the question I'm asking the City Council is: what is a Preserve? There's been some new information that came out in the past two weeks, and I needed to make that available to you, which I have kind of done in a handout. I have also given you a business plan which could create over 2500 jobs in the area and over a quarter billion dollars of new incremental revenue. And I'm happy to say that that's confirmed by this report that's just been released by the U.S. Fish and Wildlife service out of Washington, D.C. It's called "banking on nature." A brand new report. I think the title kind of gives you an indication where they are going, and it's about the economic benefits to the local communities on a national wildlife refuge. The second page of the report shows a very important chart in this U.S. Fish and Wildlife report, and it shows the heavy concentration of economic benefit given by what they call nonconsumptive activities.

You know, I have told you all, we are down to 12 huntable deer left in 90 square miles. 12 in 90 square miles. That's less than one deer per seven and a half square miles to hunt. The McDowell Mountain

Regional Park has zero deer left in 35 square miles. Now, they are behind me. They are going to Game and Fish and they are saying why are we continuing to hunt in the McDowell Sonoran Preserve? In this report, it says that wildlife refuges are big business. It says that three out of four people come to a refuge that are not local residents. We have over 9 million visitors to Scottsdale every year. Very few come to McDowell Sonoran Preserve. And my business plan, and so far only Councilman Littlefield has acknowledged it, it's clear that the economic benefits of creating a Preserve with meaningful wildlife is very beneficial to the city and I hope that you take some action on it. Do you have any questions?

Vice Mayor Korte: Thank you, Mr. Mayer. With that, I believe Councilman Robbins?

Councilman Robbins: Thank you, Vice Mayor. I just want to ask Councilman Phillips a question. You had mentioned about you would only want to acquire this if it was below market value? So is that included in your motion or do we know what that means as far as, why would a landowner sell their property for below market value to the city when there's several, three, four, suitors right now that are looking to pay money for this land. So how do we know if we are getting a good deal and we are meeting the criteria you are talking about?

Councilmember Phillips: They are not going to pay for money on this property, but a different property. And so this really isn't up for sale. This is a way for them to get the money to save their property but I don't want to give them a gift. So what I'm saying is if we can get this property at a price that's worth us getting for the Preserve, then I'm willing to do that. And so the only way to know that is to go through the process and let the Preserve Commission get the appraisal and find out the amount that we are willing to pay for it, and if they are willing to accept that, then it will come back to us.

[Time: 00:24:55]

Councilman Robbins: So in your scenario, say it comes back \$25,000 an acre, just for discussion sake, and we offer them \$20,000 an acre after that, is that, that's kind of what you are talking about is offering them less than what the appraised value is?

Councilmember Phillips: No, I think what we would probably do, no, I think we would probably go along with whatever the Preserve Commission's appraisal came out to on it. I would think. You know? I don't know if we would actually say, well, we want to pay less, would you take this. I don't know the whole process behind that. The only reason I pointed that out earlier is I don't want to say, let's buy this at any cost because that's not the same kind of deal as a Preserve land. So I want to make sure that, I'm just saying out loud that I'm not going to approve it if it's not a good deal.

Councilman Robbins: Okay. I guess I'm just trying to get my arms around of what a good deal means. Is it an independent appraisal. When you said a commission's appraisal. They are not doing the appraisal. They are going out and contracting with an independent appraiser.

Councilmember Phillips: However the Preserve Commission does it for Preserve land, they will do the exact same thing for this. They will look at it as a Preserve acquisition land.

Councilman Robbins: Okay. Thank you.

Vice Mayor Korte: Councilwoman Milhaven.

Councilwoman Milhaven: Thank you, Vice Mayor. We have a study boundary. I know the, I'm torn with this. I know that the ordinance allows us to buy adjacent property. There was a document left for us that tells the sad tale of the beneficiaries and the trust and they have a buyer but, and so it's a really sad story of what happened to this property after the owner's death. I don't know why this concerns us, if they already have a buyer. We are going to offer them, that's the market value, right, market value is what a willing, an able buyer and willing seller settle on. So I don't know. I'm not interested in having the staff spend a lot of time on this, if it's, perhaps just go back to the Preserve Commission and say, is this a piece of property you think we should consider in light of all the priorities have you given us. I wouldn't want to see staff spend a lot of time on it. So thank you.

Vice Mayor Korte: City Attorney Washburn?

City Attorney Bruce Washburn: Thank you, Vice Mayor. I think there's some confusion on this, because this is not the property for which the other people have been bidding. That's the Greasewood Flats property. This is property that is owned by either the people who own Greasewood Flats or an entity that's related to them. And I think their basic idea is they want to sell this property to us so they can get the money to save the Greasewood Flats property, which is other property, it's not this property.

[Time: 00:27:47]

Councilmember Phillips: Correct.

Bruce Washburn: So this property, there is no bidding for this.

Councilwoman Milhaven: So if I could follow up, this document doesn't have much to do with this property other than this is their motivation for wanting to sell that property?

Bruce Washburn: That's correct. That's my understanding. And Vice Mayor, could I ask one more question? Councilmember Phillips, your motion has specifically been to look into acquiring 40 acres, but Mr. Ekblaw had discussed acquiring 40 or more acres. Did you want to limit it to just the 40 acres or more acres did you want the staff to look at that?

Councilmember Phillips: I think that's up to the Preserve Commission, so if there's a different way to word it. The whole idea is if these people owe a certain amount of money and they are looking to sell their land to get that money, then they are very motivated sellers. Because it's adjacent, pretty much in the Preserve land, it's a good chance for us to include this into our Preserve, as long as the amount is good. So this is why we are bringing this up.

Bruce Washburn: Okay. So if you are saying it's up to the Preserve Commission, could we amend the motion then to say 40 or more acres adjacent to the Preserve and then let the, you know, then the exploration can go beyond just these 40 acres.

Councilmember Phillips: Yes, that's acceptable.

Vice Mayor Korte: Is that acceptable to the second?

Councilman Littlefield: Yeah.

Vice Mayor Korte: Thank you. I have a couple of questions. Mr. Ekblaw, was there some reason that this parcel or these parcels were never included in the recommended study boundary?

Kroy Ekblaw: Vice Mayor, members of the Council, the best I would offer is more speculation, is that the lands immediately adjacent were state trust lands and I believe the boundary lines were drawn partly because it's all adjacent to the County regional park and so there is that wider area adjacent. And with the private lands being next door, it was deemed those might be more difficult to acquire in the long run, but this is a property in which the property owners are potentially interested in selling and being brought forward as an option to consider, we would certainly be willing to take a close look at it in its relationship to the Preserve boundary that we have.

[Time: 00:30:23]

Vice Mayor Korte: You, in your remarks, you stated that it was an important wildlife concentration. Is there data to support that?

Kroy Ekblaw: We have worked over the years with Game and Fish, and from the relationship to the lands in the County park, which then abut the Fort McDowell reservation and the Tonto National Forest and our recent connections to the Tonto, yes, this is an area that has been identified as an important corridor. Have we done a specific study in this immediate area? We have looked at some of the areas nearby and do believe that from information both historically and recently, that this would be valuable land to add or at least consider for the purposes of the wildlife habitat.

Vice Mayor Korte: Are there any specific geological formations or archaeological sites or important washes, plant communities, anything like that to give me a little bit more reason to support this?

Kroy Ekblaw: I don't know on the cultural resources. We would certainly look into that, whether there's specific sites. There are some in the immediate or general vicinity. So it would not be unusual in that there are some large boulder outcroppings to geological features. There is a fair amount of granite boulder outcropping occurring on the site. There are, as you can see in the aerial, several water courses that cross the property and we have witnessed many times the concentrations of deer and javelina and other animals utilizing those water shed corridor.

Vice Mayor Korte: The 12 deer?

Kroy Ekblaw: Well, there are actually more than just 12, but we have witnessed concentrations of deer in the area. And from a standpoint of the vegetation, it's consistent with the upper Sonoran desert vegetation in this area.

Vice Mayor Korte: Could we move a slide back to get a larger view of, one more in respect to, okay. So certain, so the gray on the right is County park?

Kroy Ekblaw: That's correct.

Vice Mayor Korte: County park. And that County park goes all the way.....

Kroy Ekblaw: About six miles further.

Vice Mayor Korte: About six miles. So this little notch here, I'm having a hard time understanding how that could improve a wildlife corridor.

Kroy Ekblaw: I think, and that would be part of what we would evaluate and bring back in a broader context. I think it's a situation that there's, part of the evaluation in the County, we do have several trails that are in that area and you would also look at proximity of trails and other development improvements and the larger mammals tend to move away from the higher activity areas and that would be part of what we would look at. So widening that, the typical response from Game and Fish, again, not specific to this question and we would be able to ask that of them before coming back to you with any recommendations, is that the wider that you can make an area, the better it will be for the wildlife habitat. So we're working off of past discussions on other similar issues, but that's something that we would be able to bring back in more detail.

[Time: 00:34:25]

Vice Mayor Korte: And then lastly, I know the question was posed before regarding the impact of this potential purchase on the total dollars remaining from our two sales tax for the Preserve. We know that that is a limited amount. I think that is probably one of the most important questions we need to ask is the impact of this acquisition with respect to those parcels that have already been prioritized and vetted through the public process, and through the Preserve Commission. I'm going to ask you again. There's got to be some type of feel for what we would have to give up on one side of the Preserve because that's where those, or those parcels that have not been acquired, you know, where are we going to give that? There's got to be a give and take here.

Kroy Ekblaw: And certainly that would be part of the question that we would put before the Preserve Commission for them to consider and evaluate. There would be a staff recommendation as well. Again, we believe that these parcels are worthy of consideration. Whether they will raise to a higher priority level than other properties that remain to be targeted for acquisition is yet to be determined, but we do believe at least that the eastern 80 of that 120 acres is worthy, or definitely worthy of consideration and if the offer is out there, we should at least take a close look and consider that.

Vice Mayor Korte: Okay.

Kroy Ekblaw: I would clarify also, the Preserve Commission won't be doing the appraisal. We will do that through the city staff processes and we would bring the results of that, of course, to the Council as part of any discussion of value on the property and any offers. So we would bring that, but we'll, we would bring recommendations from the Preserve Commission as to its viability for including in the Preserve.

Vice Mayor Korte: Thank you Mr. Ekblaw. Councilwoman Klapp.

Councilwoman Klapp: I'm having a little problem with trying to understand why we as a Council would entertain buying land from a land holder. I understand that they have some concerns about the rest of their property and retaining it, why we would as a Council, would be taking some form of action right now, because there, the Preserve Commission has determined the Preserve boundaries. We are taking, we would be taking an action that's outside of that particular process. I don't understand why this was not taken to the Preserve Commission first for them to discuss it, rather than to the Council and I'm not in any position tonight to be voting to say yes, I believe we should do one or the other, because I believe we, the process we are following is not the proper process for considering land to be added to the Preserve. So, you know, I, it sounds like Kroy that perhaps the Preserve Commission has talked about this. Have they discussed it at all?

[Time: 00:37:41]

Kroy Ekblaw: Again, this information just recently came to light that this property owner might be interested in offering a portion of their property for sale. And I think the immediate interest is to see if the Council is just interested in studying that and that's really the motion as I understand it, that's before you. We would absolutely be scheduling time with the Preserve Commission to put forward the assessment of the site and compare it to other aspects of other properties that might be considered for acquisition as well to get a determination if there's interest in going forward with this. The Commission would certainly have an opportunity to say, no, we don't think it's a priority or yes, we do but that's what we would come back to you with that information.

Councilwoman Klapp: But could you have taken that course of action anyway. Could you have gone to the Preserve Commission and had a discussion with them to find out some of these issues whether or not the Preserve Commission even wants to entertain this property because as was mentioned, we only have so much money. There is only so much property we can buy. And if this property is purchased, some other property may not be able to be purchased. So I believe that this discussion is outside the process of what should be followed and this should have gone to the Preserve Commission and it shouldn't be for us to make the decision on whether we want to even take some action. I don't think we should take any action at this point. If the Preserve Commission wants to discuss this, it should be up to the Preserve Commission to at least have a discussion about it without us having to take some action here at the Council meeting. At least that's the way I see it.

Vice Mayor Korte: Thank you, Councilwoman Klapp. Councilman Littlefield.

Councilman Littlefield: I'm always hearing we should be open to new ideas. Here's an opportunity to plain acquire a nice piece of land, maybe help save Greasewood Flats. We ought to at least look at it. That's really all Councilman Phillips is asking for and that's why I'm going to vote for it.

Vice Mayor Korte: I see no further discussion. I will call for the vote. Perhaps we could replay that motion. Carolyn, the motion in front of us, make sure we understand it. Councilmember Phillips?

Councilmember Phillips: Yeah, we had a little change in the wording, though, so I would have to include that part of it.

City Clerk Carolyn Jagger: I can take a stab at it if you would like Vice Mayor. The motion was to initiate the process to determine whether to acquire 40 acres or more of land located approximately a half mile east of 128<sup>th</sup> street and a quarter mile north of the extension of east Pinnacle Peak Road.

Vice Mayor Korte: I believe it was 40 or more. Did you say 40 or more?

Carolyn Jagger: Yes.

Vice Mayor Korte: So 40 or more acres. Thank you. Okay. So with that all in favor. And opposed? It passes 4-2. Thank you.

**ITEM 17 – REQUEST TO AGENDIZE A DISCUSSION ON GENERAL FUND SPENDING CUTS**

[Time: 00:41:23]

Vice Mayor Korte: Item number 17, that is a request to agendize a discussion on General Fund spending cuts and this is at a question by Councilman Littlefield to provide possible direction to staff to agendize, on General Fund spending cuts that can be made immediately in order to fund the high priority public safety projects that were included in the recent city bond proposals. Councilman Littlefield, you would like to speak to that?

Councilman Littlefield: Well, since the bonds didn't pass, and since even if we did another bond issue, it couldn't be on the ballot until a year from now, and since even it was on the ballot a year from now, that might not pass, I think we have no choice but to look at other ways to fund the projects in the bond proposal that need to be done. So the only other area is General Fund budget cuts. So I think we should agendize that discussion and see what we can do. Now, that's what I'm proposing and I make a motion that we direct staff to agendize that discussion.

Vice Mayor Korte: Is there a second?

Councilmember Phillips: Second.

Vice Mayor Korte: So it has been motioned and seconded to direct staff to provide possible direction on General Funds spending cuts. Is there a discussion?

Councilmember Phillips: May I speak on the second?

Vice Mayor Korte: Yes. I'm sorry. Yes, Councilman.

Councilmember Phillips: Thank you, Vice Mayor. The reason I'm seconded it is because it's obvious that since this went down, excuse me, and the last part was, excuse me, pretty well included in the, our last budget, kind of contingent on this money. So now it is going to be a discussion. There's no way around it. It's inevitable. So we may as well start on it now before the, March comes around. So that's why I'm saying, let's do it now and decide what projects to fund.

Vice Mayor Korte: Thank you, Councilman Phillips. Councilwoman Milhaven.

[Time: 00:43:38]

Councilwoman Milhaven: Thank you, Vice Mayor. I think we are coming at this backwards. Interesting, Councilman Littlefield, you campaigned to defeat the bond and now you swoop in with a motion to create, to solve the problem that you created. I think we need to come at this the other way. With all due respect to the folks who spoke about why the folks voted no, I think that some of those folks misrepresented the argument in the campaign and so, you know, things like it was too big. There are four questions. There was a \$20 million question. It was a \$40 million question. There were smaller questions. It wasn't \$200 million. To say we need to live within our budget, I bet most of us bought our homes with mortgages. We can't pay cash out of it annually. To say there's enough money to cut out of the annual budget. We ask can we do some, we cannot do all. So shame on the folks who campaigned no with misrepresentations. So for me, I don't know whether to interpret the vote to say they didn't want the projects or they believed the misinterpretations and the misrepresentations they were told. While I think we do need to continue to look for cuts in the General Fund, I think we need to start with the projects. Which projects pose, impact health and safety? Which projects had savings that would cover the costs over time? And which projects are federally mandated that are plan dates without funding that we have no choice to? And let's look at what the critical projects are and then we need to figure out how to pay for them. Thank you.

Vice Mayor Korte: Thank you, Councilwoman Milhaven. Councilman Littlefield.

Councilman Littlefield: Well, Thanks for the recap on the campaign. I really wasn't planning on recapping the campaign or who did what. Nice to see that we were powerful enough that even out spent 80:1, we were able to turn the tide. I don't even believe that. The issue is, the bonds got turned down. So now it's time to figure out what to do next. All I'm asking for is to have the discussion. It's got to come from somewhere. It's got to come from General Fund cuts. Now, if you want to argue the merits of the election, which seems a little pointless considering it's over, but I'm happy to do that any time. That's not what we are talking about here. We are talking about how we will move some money around. That's all I'm asking for. But if you want to tell the public that you are not willing to have that

discussion, be my guest.

Vice Mayor Korte: Councilwoman Milhaven.

Councilwoman Milhaven: Thank you. Thank you. My comment was let's look at what the critical projects are. There were citizens telling us we don't want these projects were they believing misrepresentations. I think it's our responsibility to look at what critical projects are, identify what those are first. I'm not saying I'm not willing to have that conversation. Thank you.

Vice Mayor Korte: Councilwoman Klapp.

[Time: 00:46:56]

Councilwoman Klapp: In the communications I have heard from people related to this, I'm not hearing clamoring for anything, quite frankly. And so to say we are going to open up the budget in order to pay for certain selected projects that might be important to Councilman Littlefield doesn't necessarily mean they are important to the general public. And also, I have a problem with doing it in this fiscal year. We have a budget that's set for this fiscal year and I think we did, we did say and demonstrated in this year's budget that public safety was our number one priority. We have monies, considerable monies in the project, the budget for those areas of public safety that are necessary. So it seems to me that this budget year is established and we may be able to find some cuts for, in a variety of areas, even in this year's budget. But I think this is all premature and that it should be a discussion for the 2014/15 budget. By that time, the City Manager and his staff will have determined if there are some projects that are extremely critical that need to be funded in some fashion and if they have to be funded through the General Funds, then he will tell us that. And we will be able to determine what else may not be able to happen, because we are going to have to pay for some of these projects, but to do it in this fiscal year, I don't see the reason for it. Nothing was an emergency that was on the list. Even if everything had passed on all the questions, we wouldn't even be spending the money right away for all of these projects because they would have to be planned out. So it seems to me to try to find money this year to help fund capital projects that are not, would not even begun this year anyway is very premature and it should be dealt with in next year's budget.

Vice Mayor Korte: Thank you, Councilwoman Klapp. Councilman Littlefield.

Councilman Littlefield: Oh, you know, I just love these little meetings. Here we go. During the campaign, all of, campaign all of these projects had to be done but now they can wait. If we have the discussion, it's not just I who gets to propose cuts, it's everybody. It's not like it becomes the Bob show. If we just say, look, we need to cut some money out, you, Councilwoman Klapp or Councilwoman Milhaven can propose the things that you want to cut or oppose my cuts. All I'm saying it's important, if, in fact, all of these projects were important, now, if they were not important, then why did we have the bond election? So I guess all I'm saying is we ought to start looking at this year's budget, see where we can cut to do the things were supposedly important enough to put a bond proposal on the election. Now if you don't believe that, fine. Vote no against this and then, you know, you can explain to people why it really wasn't that important after all. Be my guest.

Vice Mayor Korte: Councilwoman Milhaven.

Councilwoman Milhaven: The citizens said no, they don't want these projects. I agree with Councilwoman Klapp, we make it part of our budget discussion. What's a matter of health and safety and what's a matter of federal mandate and what projects over time pay for themselves, thank you.

Vice Mayor Korte: Thank you, Councilwoman Milhaven. Councilman Phillips?

Councilmember Phillips: Thank you, Vice Mayor. The way I read it, the request of Councilman Littlefield would provide direction to staff and agendize and possible direction to staff on General Fund spending cuts. So I would think if we do it, go ahead and vote on this, then it will be up to staff and the City Managers and the Treasurer to come back and say, you know, our budget is fine. We don't need to implement any of this right away. You can wait until the next budget season or saying we were contingent on some of the items being passed didn't happen and now we have to look at other ways to fund them. I don't know that personally. I want staff to tell me that. So that's why I'm voting for it.

[Time: 00:51:05]

Vice Mayor Korte: Thank you, Councilman Phillips. I see no other requests to speak. I will call for the vote, though I agree with Councilwoman Klapp, I believe it's premature. If there's anything we need to do, is step back and look at holistically what the city is in need and what is, what we are willing to proceed with, move forward, and what we are willing to remove out of our General Fund and that is a process, I believe, for the 2013-14 budget. So with that, I believe the motion is to direct staff to agendize a discussion and possible direction on General Fund spending cuts that can be made immediately in order to fund the high priority public safety projects that were included in the recent city bond proposals. All those in favor, say yes. And all those opposed say no. And that fails 2-4. With that, I believe there are no other agenda items. There are no other requests for public comments.

## **ADJOURNMENT**

[Time: 00:52:36]

Vice Mayor Korte: The chair would entertain a motion to adjourn.

I move we adjourn.

Second.

Vice Mayor Korte: Thank you.