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CALL TO ORDER

[Time: 00:00:01]

Mayor Lane: Good evening to all of our citizens who may be following us on this meeting this evening. And welcome to this meeting. Hopefully we'll get back to a point that we will be back with you in person. But for now, we wanted to make sure we cover the bases as best we possibly can under the circumstances. I'd like to call the order the April 21st, 2020, city council regular meeting. I would ask that the city clerk please conduct roll call.

ROLL CALL

[Time: 00:00:22]

City Clerk Carolyn Jagger: Mayor Jim Lane.

Mayor Lane: Present.

City Clerk Carolyn Jagger: Vice Mayor Kathy Littlefield.

Vice Mayor Littlefield: Present.

City Clerk Carolyn Jagger: Councilmembers Suzanne Klapp.

Councilwoman Klapp: Here.

City Clerk Carolyn Jagger: Virginia Korte.

Councilmember Korte: Here.

City Clerk Carolyn Jagger: Guy Phillips.

Councilman Phillips: Here.

City Clerk: Solange Whitehead.

Councilwoman Whitehead: Here.

City Clerk Carolyn Jagger: City Manager Jim Thompson.

City Manager Jim Thompson: Here.

City Clerk Carolyn Jagger: City Attorney Sherry Scott.

City Attorney Sherry Scott: Here.

City Clerk Carolyn Jagger: City Treasurer Jeff Nichols.

City Treasurer Jeff Nichols: Here.

City Clerk Carolyn Jagger: City Auditor Sharon Walker.

City Auditor Sharron Walker: Here.

City Clerk Carolyn Jagger: And the clerk is present.

[Time: 00:01:08]

Mayor Lane: Thank you Ms. Jagger. I'd like to make a note of a few things as we conduct our council meeting, virtually. I'd like for you all to make sure that you're in a quiet space with no to minimal background noise. Each time you speak, please announce your name to identify yourself to listeners and to say thank you to denote that you're done speaking. Please mute yourself in the lower left-hand corner of the zoom window when you're not speaking. Be sure to unmute when you begin speaking. Please allow for some delay as slides are loaded to the screen.

And I will ask each council member individually for questions or comments after each council member has had the chance to speak once, if you have additional questions or comments, please use the raise hand option on your zoom screen and management associate Meghan Lynn will notify me so that I can call upon you.

MAYOR'S REPORT

[Time: 00:02:10]

Mayor Lane: For our report tonight, I would like to take a moment to recognize an important group of people, by reading a proclamation in honor of Volunteers Appreciation Week. Even though we had to put a pause on using volunteers at this time, we're looking forward to the day that we welcome them back as they are an integral part of what makes Scottsdale successful.

The Proclamation reads basically that Scottsdale volunteers played a critical role assisting the city in Scottsdale to execute the mission of simply better service for a world class community. The city volunteer program is a citywide volunteer that enlisted the assistance of citizens who wish to make a difference in our community. They provide enhanced services to the citizens and visitors in our community. In 2019, more than 6,000 citizen volunteers contributed over 155,000 hours of service to the community.

And whereas, citizen volunteers contribute to the personal services to our city is priceless. However, it creates nearly four million dollars savings to the taxpayers. Citizens that volunteer benefit from the experience of contributing to the public service to make our city a better place, while knowing they make a difference in the community. So National Volunteer Week was established by presidential proclamation in 1974, to highlight the various opportunities available for those interested in volunteering.

Therefore, I Jim Lane, Mayor of the city of Scottsdale, Arizona, do hereby proclaim April 19th through 20, 2020 as Volunteer Celebration Week. So thank you to all of those volunteers, past and present. And into the future. So thank you.

MINUTES

[Time: 00:04:11]

Mayor Lane: The next item of business is the approval of minutes for the speaking meeting minutes of March 24th, 2020. I would accept a motion and a second. Please say your name before making the motion.

Councilwoman Klapp: Mayor, this is Suzanne Klapp. I would make a motion to approve the minutes. Thank you.

Councilmember Korte: Mayor, this is Virginia Korte. I second. Thank you.

Mayor Lane: Thank you. Motion has been made by Councilmember Klapp and seconded by Councilmember Korte. We will take action by roll call vote and I'll ask our city clerk Carolyn Jagger to announce each council member for their vote.

City Clerk Carolyn Jagger: Mayor Jim Lane.

Mayor Lane: Yes.

City Clerk Carolyn Jagger: Vice Mayor Littlefield.

Vice Mayor Littlefield: Yes.

City Clerk Carolyn Jagger: Councilwoman Klapp.

Councilwoman Klapp: Yes.

City Clerk Carolyn Jagger: Councilmember Korte.

Councilmember Korte: Yes.

City Clerk Carolyn Jagger: Councilwoman Milhaven.

Councilwoman Milhaven: Yes.

City Clerk Carolyn Jagger: Councilman Phillips.

Councilman Phillips: Yes.

City Clerk Carolyn Jagger: Councilwoman Whitehead.

Councilwoman Whitehead: Yes.

City Clerk Carolyn Jagger: Thank you. Motion passes unanimously. Thank you.

CONSENT AGENDA

[Time: 00:05:29]

Mayor Lane: Very good. Thank you. Moving on to the consent agenda, which are items 1 through 13. I will ask the city council members one by one if they have a comment about any item on consent. I'll start with Vice Mayor Littlefield.

Vice Mayor Littlefield: No comment. Thank you.

Mayor Lane: Councilwoman Suzanne Klapp.

Councilwoman Klapp: I have no comments.

Mayor Lane: Councilmember Virginia Korte.

Councilmember Korte: No comments, Mayor, thank you.

Mayor Lane: Councilwoman Linda Milhaven

Councilwoman Milhaven: No. Thank you, Mayor.

Mayor Lane: Councilman Guy Phillips

Councilman Phillips: No comment.

Mayor Lane: Councilwoman Solange Whitehead.

Councilwoman Whitehead: I am good. Thank you Mayor.

Mayor Lane: I have no comment on the items. Since no comment for the first round, I don't presume it provoked any further questions. Can I ask for a motion on consent items 1 through 13?

Councilmember Korte: Mayor, this is Virginia Korte. I move to accept consent agenda items 1 through 13.

Vice Mayor Littlefield: Mayor, this is Vice Mayor Kathy Littlefield, I second that motion.

Mayor Lane: Okay. Very good. Thank you both. So the motion has been made and seconded, motion made by Councilmember Korte and seconded by Vice Mayor Littlefield. So we'll take the action by a roll call vote and I'll ask our city clerk, Carolyn Jagger to announce each council member for their vote.

City Clerk: Mayor Lane.

Mayor Lane: Yes.

City Clerk Carolyn Jagger: Vice Mayor Littlefield.

Vice Mayor Littlefield: Yes.

City Clerk Carolyn Jagger: Councilwoman Klapp.

Councilwoman Klapp: Yes.

City Clerk Carolyn Jagger: Councilmember Korte.

Councilmember Korte: Yes.

City Clerk Carolyn Jagger: Councilwoman Milhaven.

Councilwoman Milhaven: Yes.

City Clerk Carolyn Jagger: Councilman Phillips.

Councilman Phillips: Yes.

City Clerk Carolyn Jagger: Councilwoman Whitehead.

Councilwoman Whitehead: Yes.

City Clerk: Motion passes unanimously. Thank you.

ITEM 14 – MONTHLY FINANCIAL UPDATE

[Time: 00:07:40]

Mayor Lane: Thank you very much. Moving on now to the regular agenda item 14. One regular agenda item. I will turn it over to Mr. Jeff Nichols, our city treasurer for that item. Monthly financial update.

City Treasurer Jeff Nichols: Thank you, Mr. Mayor. Members of council. The monthly financial update as of March 31st, 2020. And Kelly, the next slide, please.

Mayor and council, you may have noticed that we went right to the end of this and I wanted to do that on purpose tonight to take you directly to the end of my presentation. Mr. Lipinski on the third quarter update will follow. I'm doing this due to the fact that the information contained in this monthly financial update is February activity. That activity was reported in March and now we're presenting it to council in April. So while the reporting is a two-month lag, the payments that we received from ADR began on March 9th. That is going to be significant as we move forward.

So currently, comparing fiscal year 1920 budget, the fourth column over, to the fiscal year 1920 actual, the third column over, the sources have a favorable variance of 13.4 million. Likewise, comparing the fiscal year 19 budget uses of 214.9 million to the fiscal year 19/20 actual of 212 million, there is a 2.9 million favorable variance, budget to actual. In total, a favorable variance in the change in fund balance, of \$16.3 million. This is February data.

And so while I don't believe that the favorable variance will carry out through the end of the fiscal year, I do believe it's possible that when you look at the third column, the fiscal year 19/20 actual, that it would be possible but we could still see a positive change in the fund balance overall for the fiscal year in spite of what we're currently going through.

And so with that, Mr. Mayor, members of council, I will take any questions you may have.

Mayor Lane: Thank you, Mr. Nichols. And we will proceed with requests of each of the council members, if they have any questions at this time. I'll start with vice mayor Littlefield.

Vice Mayor Littlefield: Not at this time, thank you, Mayor.

[Time: 00:10:18]

Mayor Lane: Councilwoman Suzanne Klapp.

Councilwoman Klapp: Yes, Mayor. I do have a question of Jeff.

Mayor Lane: Very good.

Councilwoman Klapp: The slide that we're looking at right now, Jeff, it shows our sources currently favorable at 13.4. Now, I know you said that we may see an increase in the fund balance. However, based on the preliminary information you've gotten, from the state on March tax revenues, do you believe that by the end of this fiscal year, this \$13 million surplus would likely be gone?

City Treasurer Jeff Nichols: Mr. Mayor, Councilwoman Klapp, I believe in all likelihood the favorable variance of the sources by the end of the fiscal year will be gone. Budget may be closer to actual, with no favorable variance.

Councilwoman Klapp: Okay. Thank you, Jeff.

City Treasurer Jeff Nichols: You're welcome.

Mayor Lane: All right. Councilwoman Virginia Korte.

Councilwoman Korte: No questions. Thank you, Mayor.

Mayor Lane: Councilwoman Linda Milhaven.

Councilwoman Milhaven: No questions, thank you, Mayor.

Mayor Lane: Councilman Guy Phillips

Councilman Phillips: No questions.

Mayor Lane: Councilwoman Solange Whitehead.

Councilwoman Whitehead: No questions, thank you.

[Time: 00:11:52]

Mayor Lane: Very good. My only comment to this Jeff, is the fact that something you've already expressed, and that is the timing of what we're looking at here. All of this has taken place prior to the significant drop-off in activity on the basis of our response to the COVID-19 virus. So it's understood that the full effect will really be seen in the fourth and final quarter of fiscal year end 2020.

For us to consider into the next budget of course, as we've already have given direction to come back with a budget that reflects the kind of activity that is anticipated in the next fiscal year. But this does dramatically show the fact that we're coming off one of the most favorable economies and business cycles that the city has ever experienced. And this will be just prior to obviously the onset of the COVID-19 contagion.

Thank you for the presentation. And with your stipulation as to what we're looking at here. Thank you.

City Treasurer Jeff Nichols: You're very welcome, Mr. Mayor.

Mayor Lane: Do we have any other questions? Hearing none, I would ask for a motion.

Senior Management Associate Megan Lynn: Mr. Mayor, this is Megan. I have a hand raised. It looks like Vice Mayor Littlefield.

Mayor Lane: Very good. Pardon me. I'll drop back to that. Yes. Vice Mayor.

[Time: 00:13:24]

Vice Mayor Littlefield: Thank you, Mayor. I just wanted to ask Jeff, I appreciate the presentation, Jeff. And thank you very much for all that you did here. And the biggest concern I have is the timing issue of this. We're still not seeing a lot of the results of this COVID-19 budget change. And just would like to ask that as information comes in, as you get more information from the state, the revenue streams that you update the council on a regular basis, so that we have current information going forward from here, at least as much as we possibly can have. And I would appreciate that very much. I'm sure the others would too. Thank you.

City Treasurer Jeff Nichols: Mr. Mayor, Councilwoman Littlefield, I will certainly do that. We received for the March activity, our first payment on April 17th. So we have a data point for that payment. We will receive another payment on April 24th. And May 1st.

Regarding the March activity, as soon as I get those into our model that our staff has created. I will get that information out to council so we can see where this is trending. The final payment on June 5th. So then we'll have an idea of what April looks like. And that will give us a good idea of how we'll probably finish out the end of the fiscal year.

Mayor Lane: Thank you, Jeff. And I am presuming Vice Mayor, you're set.

Vice Mayor Littlefield: Thank you. I am set. I appreciate it.

City Treasurer Jeff Nichols: Mr. Mayor, now Dave Lipinski will take over and give the third quarter CIP update.

Mayor Lane: Very good.

[Time: 00:15:33]

City Engineer Dave Lipinski: Can everyone hear me okay?

Participants: We can hear you.

City Engineer Dave Lipinski: Okay. Tonight I'm going to run you through the third quarter CIP update. And we're going to start as we usually do, this will run through the first three slides, show project funding versus project expenditures through the third quarter. As you can see in the green bar, the

lower of each of the programs, capital projects are funded up front, typically for their entirety, design and construction, we should be running behind ourselves, that is the way it should look. Next slide, please. This is the same data, just in a tabular format. These are expenditures by program through quarter 3. Next slide, Kelly. And this just drills down one level further into actual expenditures by funding sources, the numbers are the same. It just breaks it down one level further again.

So what I'm going to do now is run through significant projects in quarter 3, including both the bond projects and some of the other larger ones that we're in the midst of. Bond 2015 Update, The Street pavement rehabilitation is completed. Management program spent every penny that they possibly could. The bond promised 140 lane miles of pavement completed. The city was able to use competitive contracts and actually completed 181 lane miles of paved roadways within the bond program.

Next slide. Fire station 603, you can see in the pictures is vertical. They're working on the interior of the building currently. Some of the interior walls, HVAC systems, plumbing systems, contractor is a little bit behind schedule, due to subcontractor issues, but they're working hard to deliver in mid to late August this year.

Next slide. Fire station 616, construction is on schedule. Finishing up a lot of the grading and earth work activities, just starting the building going vertical. Center picture, you can see a couple of the columns that will support one of the bay walls.

Next. For bond 2019, we're beginning some new projects. The high efficiency lights at four facilities, our contractor has submitted pricing for one facility. We're working on two others now. It's anticipated that this work will start this summer. Revamping of existing systems and one new installation at Scottsdale sports complex, which will be delayed a little bit.

Next Kelly. Replace tennis court surfaces at Indian Bend park. Earlier tonight you approved a job order contract, we're looking at getting that contract finalized and the first set of courts at Scottsdale ranch tennis center completed by November, in order to stay in compliance with the \$50,000 grant award from the USDA.

Next, Kelly. As you're aware, the build multi-use sports area in bell road is occurring. Two teams working on the project. One is doing the main site work of the design of the facility itself and assisting city staff with possible land acquisitions. The second consulting team is actually working on water delivery for irrigation for these facilities. We're working with each other to try and move this project forward in a couple of pieces.

Next slide. For question two, the project numbers will change, for example, right now you see number one, but this is the first question that was in project two, the projects are delivered, or going to be presented in order by question that was included within the bond. So for replacing the infrastructure on civic center mall, we've released a request for qualifications for design teams. These are going to be due I believe in late May. These will be submitted back to city for evaluation. And ultimate selection of design team, to start moving this project forward.

Next. Expansion of restrooms in the north hall of West World. We have an architect under contract, to enhance and simplify the restrooms to provide more facilities for users.

Next. Fiber optic infrastructure, IT is working to begin this project. They have their contract numbers in for the first four locations. A lot of these are extensions of fiber optic to serve city facilities. Bringing it in to fire stations, 601. IT is moving with their contractors to get these pieces completed. For the training software, IT is working on this project, with HR. They have proposals that they've received for this offer system. It's anticipated an award will be made in the next couple of months. For the fire department equipment, this was the project approved early. Majority of this has been completed. The last components, equipment and ballistic vests are on order and expected within the next few months. Replacement of the fire utility truck. This one came early. The truck has been ordered. We ordered it early in order to avoid a market increase. We expect delivery of the truck by June of 2021.

Last but not least of the bond programs, replacement of the emergency power source for public safety radio network. This project will be delivered over three fiscal years, replacement of back-up batteries at nine different locations. The batteries for the first three locations have been ordered and will be installed by staff by the end of the fiscal year.

Back to stand-alone CIP projects, Crossroads use flood control phase one project is well underway. Anticipating completion this summer. You can see in the top left, the large drainage structure. Drop structure that brings water down into the regional retention basin this will deliver stormwater all the way down to the Mayo and Hayden alignments. So far we are on budget. You do see a negative balance here. Arizona land state contributions. Raintree Drive, currently we're waiting on utility companies to complete relocation work. We anticipate bringing construction contract to city council for the first phase of this in May or June. Hoping to start this summer. And the first section will be Raintree Drive from Redfield to Hayden.

Next. Scottsdale Stadium phase one, we got to play part of a season here this year. Working with the contractor now to finalize their contract. You can jump down one slide, please. They're working right now. Hoping to finish up in about the next two weeks with all of the punch list items, testing and training. We've had a little bit of a challenge getting different contractors back. And some of our facilities site on-site for training. We're trying to do that virtually, or in small groups, and get them wrapped up and off-site. We'll take full control of the facility then.

Thomas groundwater treatment facility. This is coming out of the ground quickly. Masonry walls are up. Jump one more. Masonry walls are up. Structural steel is 60 percent complete. They're starting to backfill some of the structures. Structures go vertical and then interior plumbing and pipe work to finish that up. Anticipated to be done in spring of 21.

Next series of slides is projects closed or completed in quarter three. When they financially close. They may have been done and in operation for a while. But the financial side sometimes lags. Heritage connection. IT projects. Canal path, which was completed a while ago. Maintenance contract that was a portion of that. One more down, Kelly. With the closeout of those, what we end up doing is reverting back to fund sources, a total of \$5.4 million. With that, I can take any questions.

[Time: 00:24:52]

Mayor Lane: Well, thank you for that. We will go ahead and go through the council members and see if they have questions. Thank you. Start with Vice Mayor Littlefield.

Vice Mayor Littlefield: Thank you, Mayor. I found this to be a very complete and very excellent presentation. Thank you so much.

Mayor Lane: Councilwoman Suzanne Klapp.

Councilwoman Klapp: I have no questions. Thank you.

Mayor Lane: Councilmember Virginia Korte.

Councilwoman Korte: Thank you, Mayor. No more questions. Thank you.

Mayor Lane: Councilwoman Linda Milhaven.

Councilwoman Milhaven: No questions, Mayor, thank you. Thank you.

Mayor Lane: Councilman Guy Phillips.

Councilman Phillips: No questions. Thank you.

Mayor Lane: Councilwoman Solange Whitehead.

Councilwoman Whitehead: No questions. But thank you for the very informative presentation.

Mayor Lane: All right. Thank you. Councilwoman Whitehead. Yes. Let me thank you as well. Very good presentation and very informative of where we're at on a lot of these things. So thank you much for that. Okay. With that said, I'm sensing no further questions.

I would then ask that our city clerk Carolyn Jagger announce each council member for their vote. I'm sorry. Take a motion first.

City Clerk Carolyn Jagger: Mayor, I don't think we need a vote on this one. I think we're good.

Mayor Lane: Not an action item. Okay. Very good.

Senior Management Associate Megan Lynn: Mayor Lane, this is Megan. I apologize. I had hand up by Councilmember Korte, but just checking to make sure there was no comment there.

Councilmember Korte: Thank you. I took it down. Thank you.

Mayor Lane: Okay. And no need for, it is not an action item. No need for a vote. So this part of it we are done. Thank you again for the presentation. And that item is completed. Whatever was communicated is in your hands.

MAYOR AND COUNCIL ITEMS

[Time: 00:27:10]

Mayor Lane: I will now move on to the mayor and council items. I will ask the council members one by one if they have any items. I'll start with Vice Mayor Littlefield.

Vice Mayor Littlefield: No, no items. Thank you.

Mayor Lane: Thank you. Councilwoman Suzanne Klapp.

Councilwoman Klapp: No thank you.

Mayor Lane: All right. Thank you. Councilmember Virginia Korte

Councilmember Virginia Korte: No additional items, thank you, Mayor.

Mayor Lane: All right. Thank you, Councilmember. Councilwoman Linda Milhaven.

Councilwoman Milhaven: No thank you, Mayor.

Mayor Lane: Thank you Councilwoman. Councilman Guy Phillips. Councilman Guy Phillips?

Councilman Phillips: No items.

Mayor Lane: Thank you. Councilwoman Solange Whitehead.

Councilwoman Whitehead: No items from me, thank you.

Mayor Lane: Thank you, Councilwoman. I have no items myself.

ADJOURNMENT

[Time: 00:27:57]

Mayor Lane: So with that, we have really completed our business for this evening. And I want to thank the council for all of their time here with us. And those who are viewing the proceedings or listening to the proceedings from this evening. And with that, I would accept a motion to adjourn.

Councilwoman Klapp: Move to adjourn Mayor, this is Suzanne Klapp.

Vice Mayor Littlefield: Kathy Littlefield, second.

Mayor Lane: Motion made and seconded. I just will simply take it as a shout-out to all in favor of adjournment, please indicate by aye. Opposed. Aye. Very good. I think that is unanimous. So motion has been made and seconded. And voted. We are now adjourned. Again, thank you very much. Thank you.