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CALL TO ORDER

[Time: 00:00:02]

Mayor Lane: Good afternoon, everyone. It's June 16th, 2020, and it's approximately 4 p.m., and we'll begin with a call to order to our work study session.

ROLL CALL

[Time: 00:00:21]

Mayor Lane: And if I could, please ask the city clerk Carolyn Jagger to please call the roll.

City Clerk Carolyn Jagger: Mayor Jim Lane.

Mayor Lane: Present.

City Clerk Carolyn Jagger: Vice Mayor Solange Whitehead.

Vice Mayor Whitehead: Here.

City Clerk Carolyn Jagger: Councilmembers Suzanne Klapp.

Councilwoman Klapp: Here.

City Clerk Carolyn Jagger: Kathy Littlefield.

Councilwoman Littlefield: Here.

City Clerk Carolyn Jagger: Virginia Korte.

Councilmember Korte: Here.

City Clerk Carolyn Jagger: Linda Milhaven.

Councilwoman Milhaven: Here.

Carolyn Jagger: Guy Phillips.

Councilman Phillips: 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 Sharron Walker.

City Auditor Sharron Walker: Here.

City Clerk Carolyn Jagger: And the Clerk is present.

PLEDGE OF ALLEGIANCE

[Time: 00:00:53]

Mayor Lane: Thank you. I would like to ask Councilwoman Littlefield to lead us in the pledge.

Councilwoman Littlefield: 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. Work study sessions provide a less formal setting for the Mayor and

the council to discuss specific topics with each other and with the city staff to provide staff an opportunity to receive direction from the council. We do continue to conduct our city council meetings by following the CDC public health guidance on social distancing. So as you may see from the picture you are probably looking at of all of us outside of shouting distance from one another. I appreciate the councilmembers charters and officers and staff that are assisting or televised by Cox cable, channel 11 and being streamed online at Scottsdaleaz.gov, so the public can view the meeting while as in progress.

We have police officers Nate Mullens and Tony Wells back here, about 12:00 right in front of me. As well as Jordan Coomber from the Scottsdale fire department if anyone requires any of their assistance. Okay. Right here in front of us. Thank you.

ITEM 1 – CARES ACT FUNDING

[Time: 00:02:34]

Mayor Lane: Moving right into our item for this work study session, is a CARES Act funding. The presenter will be Mr. Jim Thompson, our city manager. I will hand it over to you, Jim.

City Manager Jim Thompson: Thank you, Mr. Mayor, members of council. I will go through a short presentation this evening, and some work that staff has been doing once we realized we would be receiving our allotment of the care funds.

The Coronavirus Aid, Relief and Economic Security Act, the CARES Act, that's what it stands for, was signed into law in March of 2020, which provides the coronavirus relief fund. It provides \$150 billion of direct federal assistance to state and local governments. On May 27th, the proportionate share that was provided to the state of 2020, Governor Ducey created the Arizona Cares fund which is a mechanism to distribute these funds to the city. Approximately \$441 million of the \$1.8 billion received through the CARES Act, the coronavirus relief, city of Scottsdale was allocated \$29,628,014. That's what we will talk about this evening.

So first slide, next if you would. Kind of a breakdown. The U.S. Department of Treasury, the \$150 billion I mentioned and the state of Arizona allocation which was \$2.88 billion. It was broken up in two areas, 1.88 went to the state. The other \$1 billion went to the jurisdictions over 500,000 in the state. We will talk about a few of those in a moment. Then from the state, it was broken down to local jurisdictions, the \$441 million and as noted, the city of Scottsdale received the \$29.6 million approximately of those funds. Any incorporated area, city or town that did not receive the direct allocations of \$1 billion mentioned earlier, were then awarded funds.

Now, how this worked, the allowable cost that include regular salaries and employee-related expenses, EREs incurred between March 1 of 2020 and that which we would incur through

December 30th, 2020, for public safety and public health. We submitted those amounts to the state and have now, as I understand, it received the full amount of funds based on our submittal to the state. So we have received those funds from the state of \$29.6 million.

Now, the Arizona CARES fund allowable uses, the federal requirements for uses the CARES Act fund are met by the state of Arizona providing the Arizona CARES fund to the cost of public health and public safety, particularly those categories I have shown on the last slide. In doing so, then once the city receives those money, we apply it to those costs in the city, through its allocation, may use the general fund monies that are freed up because of our allocation back to cover those costs for other purposes. So the state -- we received the CARES funds through the categories we just shared and then once we do, that we replenish that into the general fund for those expenses occurred in that those areas freeing up those funds allocated to those areas for this purpose. Next slide.

From the staff perspective -- and we will come back to this one. I will go over this just really quick as to the allocation and the numbers. This is staff developed. And each of these, I have background to, and I have staff here this evening to get into greater discussion in any of these areas if you desire there's some we still have not resolved final recommendations, in particular, the first category, as noted, when you look at the amount there's some issues, concerns that go beyond any of the CARES act funding requirements and/or general fund requirements which are more specific and related to gifting provisions both in state law, as well as our own charter.

And so we are still working through some of the mechanisms by which we can distribute these funds and ensure that there's a public purpose involved, but what we did is we allocated, at this point council can change any of these, this evening as you so desire, \$6 million to business assistance programs. \$1.5 million to arts and culture. \$2.9 million to community facilities and safety upgrades. Care for the vulnerable citizens. Utility assistance for residents, \$950,000, technology \$200,000. On the operations side, we had safety retrofits to 32 of our city buildings of \$2.2 million. Mr. Worth will come forward. Technology expenses \$875,000. P.P.E. and sanitation cleaning, \$840,000. Emergency response \$2 million, the COVID-19 recurrence preparations somewhat of a set aside for future needs of \$2 million and then public safety reimbursement of \$4 million for a total of 12.

You know that the only allocated that we have on the slide this evening is \$26.2 million. You have \$29.6 million, leaving approximately \$3.4 million left for allocation if you so desire to any of these areas or any areas not noted on the document this evening. This area here, this was a slide from Chandler. That the communities --

Mayor Lane: Mr. Thompson.

City Manager Jim Thompson: You do not have this slide.

Mayor Lane: I'm sorry I interrupted but Councilwoman Klapp does have a question, please.

[Time: 00:09:04]

Councilwoman Klapp: On the previous slide if you would put that up.

Mayor Lane: You don't want to lose that one.

City Attorney Sherry Scott: That's the new one.

Councilwoman Klapp: I may know what this means could you explain the categories on the previous slide, the city operations you have 32 city buildings on one side and the other side you have community facilities, taste upgrades, what is the difference on those two?

City Manager Jim Thompson: The majority used by the community. The 32 on the other side, they don't have a high volume of community contact. So as an example, this building would be one that's on the community investment side. West world would be one that's on the community investment side. The stadium would be one that's on the community investment side. Buildings not on the community investment side would be ones that we have very little at the north operations center. That would be on the other side because we have very little community contact on the other sides. That's how we divided it up.

Councilwoman Klapp: Thank you.

[Time: 00:10:10]

City Manager Jim Thompson: This one was taken from Chandler. We know Chandler and Peoria made presentations other than the direct allocation. We already kind of knew the numbers associated with those over 500,000 population, but Phoenix, Tucson and Mesa were the examples that they provided with those under 500,000 population that received direct allocations of what their breakdown of what they were planning on doing. Keeping in mind these cities receive their direct allocation some time ago. Good almost two months prior to when we received our allocation notification, and so, again, note that our allocation was not the same as the percentage of population because we only received a portion and not the full amount and so therefore, our number, you would think that Mesa is basically two times -- not even just a little over two times the size of the city. We received \$30 million and they received \$90 million.

There's a substantial difference in that because our funds came from the state and the state retained a portion. But that said, just nor knowledge -- for the knowledge of how they allocated their funds and what we presented this evening of which you can make changes accordingly. Probably the biggest one to note is the reserve capacity, in the back end, we're looking at an 18% and that's inclusive of a couple of numbers that he will talk about in a minute. Tucson and Phoenix retained substantially higher in those areas.

Mayor Lane: A question from Councilwoman Korte.

[Time: 00:11:43]

Councilmember Korte: Thank you, Mayor. So we know that we received a little greater than 50% of what we felt our allocation from the CARES act. Is there any discussion from the state on the other 49, 48% of the funding to come our way?

City Manager Jim Thompson: At this time, we have -- we have no direct knowledge if they will be releasing any additional funds to us. Some of it is a hold back to ensure that they have adequate funds to take care of unemployment claims being submitted and other things. And so at this point in time, we have not been provided any further guidance that additional funds may be coming. This may be all of it. There may be some potential down the road if there are funds left that they might make additionally available to the cities, but at this time they have not so stated.

Councilmember Korte: Thank you.

Mayor Lane: You know, Mr. City Manager. As an add to that councilwoman, the Mayors have been talking with the governor's office, with regard to the \$150 million which was set aside for the express pay of the FEMA payments. There's at least conversation and it's been suggest that once that cycle goes through, and those funds are received from FEMA and they are notoriously slow that there may be a reallocation of that money, the \$150 million that's associated with that. But that's, again, at this stage, it's just conversation, almost to the point that if there's some release of the backstop for the unemployment, so it would be there too.

City Manager Jim Thompson: Thank you.

Mayor Lane: Yes, I'm sorry.

[Time: 00:13:27]

Councilwoman Klapp: Since we're part of the county, is the county going to do anything for the cities or they holding it all for their own operations? Have you had any discussions with the county about this?

City Manager Jim Thompson: I will defer to the city treasurer. I know he had discussions with them directly, but much -- the short answer is, they are available, but the long answer is, most likely we won't get any. So I will defer to Jeff as to what the reimbursables that they specifically were giving us guidance to.

City Treasurer Jeff Nichols: Oh, yes. We have several grants that we're going for, and we're

collecting those direct expenses in a cost center. And so our plan is to apply those direct expenses that are related to COVID-19 to the most restrictive grant for which they qualify, which will help us then have more funding in the \$29.6 million as council sees fit. As we go forward, we will be looking -- we have seven or eight grants that we are, I would call, chasing at this point in time but that's one of them. Councilwoman Klapp, if you are talking about the allocation that's similar to the allocation that Scottsdale got that the council got -- the county got directly from the federal government, I haven't had discussions with them about their intent with those funds. Just the ones that they are managing through FEMA.

Mayor Lane: Thank you, Councilwoman. Vice Mayor Whitehead.

[Time: 00:15:02]

Vice Mayor Whitehead: Thank you, Mayor. My questions were tied to that. Is the state required to provide cities and the county with categories of the administrative money that they kept? Where that money is going to be spent? And then secondly has to do with the county. The county represents a far smaller population. So are they required in any way to identify where the funds, you know -- are they restricted in any way with how they spend those funds?

City Manager Jim Thompson: Mayor, members of council, Councilmember Whitehead, very true. I think that from an analysis, we received allocation for the population. That's an allocated. There's no word that they will distribute any of that to any of the cities. We continue to wait to see if that's going to be the case. But at this point in time, it is not. As far as the allocation from the state and what we could use it for, again the previous slide where we talked about what the state did is the state -- we provided our direct cost that they allowed under the CARES funding already to the state from March 1st to December 30th to December 31st to receive our full allocation of those funds. Once we received those, we will use those in those specific areas, maybe in police and fire and some of our health services. Those direct expenses, and then that will then free up \$29 million in the general fund from the budget that you will consider this evening on final adoption.

Utilizing these funds more openly, there's still some discussion whether or not it will be subject to a single audit act and some federal requirements to fund, but it would be relative to what we submitted as our expenses which would be the police and the fire and the human services again. So that's how we came with the ability to be able to utilize this, which is very similar to the three cities already, that received direct funding, that we had noted, as well as the two cities that have come forth and had discussion.

Note that Peoria and Chandler scenario in neither case did they have numbers assigned to anything or percentages. Just categories and they will continue to do outreach and research and some other things. Timing-wise, we are a little ahead of the other jurisdictions as to starting to allocate because I know the importance to get this out to all of these different programs and the community to start the recovery and so for us it was very important to be to this stage

already in comparison to any of our neighboring jurisdictions and having this discussion this evening. Staff has done an excellent job working hard to get to this point.

[Time: 00:17:57]

City Manager Jim Thompson: The next slide, and city treasurer Nichols touched on this and the details of what the city is eligible for at this point or has submitted for at this point, the Arizona CARES, the \$29.6 million, we're here to talk about this evening. Federal aviation administrative for the airport, these are all relative to COVID-19, the grant funds we applied for. And appear to be awarded but may not have received them yet. That's \$157,000. The Department of Justice for police, for \$94,000. FEMA assistance to firefighters for \$100,000. Federal transit administration is \$2.2 million. That was the largest portion, and that's limited to strictly air transit and transportation needs. Community development block grant is \$709,000. H.U.D. Section 8 administrative grant of \$88,414 and then an unknown for the E.D.A. for public works of what amount will be granted to us, or that we're eligible for and then same for the FEMA disaster recovery assistance, we're at about \$600,000 today that we believe we could submit for, for direct reimbursement from FEMA. So we continue to track that because we continue to incur costs. Total, at this point, is \$33 million plus the \$600,000 I just mentioned.

So it would be \$33,626,446. And that should do it and go back to the slide with all the numbers, if you would please. One more. There we go. Awesome. Two in these categories what I'm going to -- if council doesn't mind, I would like to bring Greg Bestgen down to talk about the breakdown on the -- the vital citizens portion and the amount that's in this and then there's one change that I would like to suggest to council on the breakdown of another, but if I could have Greg come down and kind of share how he would plan to use the \$2.5 million so you have the details associated with that. That's probably the most complex because there's multiple areas of funding that are found in this. And so I -- here comes Greg now. Thank you. He's on his way down. But in probably one that has the -- a lot of smaller programs to get to the larger number, where some of the others are just one-time large numbers.

[Time: 00:20:38]

Human Services Department Director Greg Bestgen: I have never been on a game show before. So this kind of feels like "The Price Is Right." How are you all? Good.

So okay. I would like to just go through some of what we are looking at with the care for vulnerable citizens. So first of all, to talk about our homeless population. That's an area that just to give you a little bit of background, we have been working with several outside partnerships for probably at least a year or maybe even more trying to gear up some more on the ground -- boots on the ground type services for these very vulnerable folks.

So part of what is the numbers that you see are partnerships that we want to put on the street. So one of them is really to work with a medical triage-type group, that already does great work

in Phoenix. We have been in talks with them for about eight months now. And so, that's one of the areas, as you can imagine that really is lacking is when we meet with folks and we have identified 140 folks that we now have in a database, in human services, and we have met with every single one of these individuals that's experiencing homelessness, and so what we find is a lot of them are over the age of 55. Probably two-thirds. And with that, we see some very significant health issues.

And so one of the things that I have really been trying to get is some more medical triage assistance that involves usually transporting someone, perhaps down to the human services campus, where there are some medical -- this is a clinic there that does a very good job, but it also -- I think if we can put those in place, it should help our wonderful partner in the city Honor Health, because we know that, you know, a lot of the admissions and things that are coming in to the hospital are these frequent flyers that are coming through their door. So if we can get them some really good intensive medical services, that's going to be a big plus.

The other thing is that we want to start what we call a Phoenix works program. Glendale has something very similar. And what we want to do is take our veterans. A lot of folks that we see on the streets would actually like to get a job, and so we're going to use some of these funds to actually create a Scottsdale works program. And so in a nutshell, that program really allows anywhere between five and ten individuals, three times a week to work for five hours a day at minimum wage. And so we will identify with parks and recreation, with Reed's department and then also we have our own in-house program that we are growing that we will probably plug into that same program. The great thing about this, it's' restorative type process. When you take these folks and add meaning and value, you are adding to their spiritual side. This adds something to those folks who say, I really want to work. Can you help me? We have a career center, and Sheila does a wonderful job. We will work with her on this project as well.

And then we want to do with the faith community, we will be doing what is a day relief-type center. And so we would like to try to set up maybe two to three of those. We're talking about Bruce Johnson. He represents a large portion of that, you know, the folks in the community and I think a lot of you know him. So we're going to try to provide hygiene, food, just some day respite. Get some bedding that they can sleep on and an air-conditioned type environment.

And we will bring in another group, one of these others that we have been talking with more several months. And we will do wrap around services. So we will be looking at -- we don't just want them to come and get some relief and that kind of thing, although basic needs, right? Maslow. We know the basic needs are very important. We want to make sure that we address the longer-term solutions for these folks. And these would include social determinants of health. So that includes folks that don't have a Social Security card and need to get another one. Folks that don't have an I.D. Folks that need snap, they need AHCCCS. So we're working with NOAH, another partnership under this category. We are working with NOAH, who is an extension of Honor Health. We can get these folks on the street that don't have access, that don't have those other social determinants of health being met. We will be working -- we have

a database set up with them already. We have a process in place.

So a lot of the work that human services has been doing has been ongoing for a long time. The other thing that we're also working on is we are working with healthcare providers to get folks into plans like mercy care, for instance, has a plan that actually provides housing, temporary housing for folks that are experiencing homelessness. So that's kind of from a vulnerable population.

I'm going to move on now to what we are going to be doing with social services, especially our senior centers. Our senior centers, we know we have 150 to a little bit more, 175 on our beat the heat program what we know is we could double that number and serve double that amount with the outreach that we do to that community each summer. Now we're making it more of a monthly ongoing type thing. The firefighters association provided some great opportunities to add meals for these folks in their home, to the tune of 400 meals over a four-week period. That was big! Our own M. catering up at WestWorld did some great work for us, that provided some meals. We sent a social worker out to every single home and met with folks and they opened the door and they looked wide-eyed and gazed and dazed, I guess. They were so glad to see somebody at their door because they are so isolated right now. So we want to get more home delivered meals.

We know we have a deficit in our northern part of the city. A home delivered meal. That's what these funds are going to help us do, is work with the area agency on aging and foothills caring corps to get more meals to those individuals.

We know that we have other adopt a senior programs at the holidays that we are going to be able to increase and do more. We're usually very limited in what we can do with -- because of, of course, the financing that we have. We want to increase our congregant meals for Via Linda care center. Now we want to up that to five days a week.

We know that we need dental assistance. Seniors need dental assistance. And that's the one thing that through our -- some of our gaming grant funds we have been able to provide that, but usually if you can imagine we cap it at \$1,500 per visit, per person, but that doesn't even get you a crown. That just gets you some very basic services as you all know when you don't have insurance. So we want to get dental assistance.

We want to get moving assistance ramped up and then we want to provide a large number for rental assistance. We have many seniors, even up at our Via Linda senior center that are living right on the edge that need -- that just a little bit of rental assistance could go a long way, because they are just -- just a month or two from literally falling through the cracks. So we want to use it for some of that.

And then we want to expand our brown bag program. So some of you, I think, have participated in that, but we have about 250 seniors that come to the granite reef senior center environment

week for a brown bag, and that's a partnership that we have, again, with Honor Health at desert mission. They provide the bags for us. We utilized gaming grant funds in the past for that program, but we're -- we're really concerned about what we may or may not be getting in the future. So to build that program, again, this is what these funds are going to provide for our citizens and for our communities.

So -- and then we want to move on to providing more emergency rent and utility assistance at vista dell Camino. So we have a large number plugged in to be able to provide that. And then we have what we call an emergency social services fund for human services. And typically, it's trump change, however, we have folks that their air conditioner breaks down. Seniors that call us and say I'm on medication. When will I get my air conditioning fixed? Well, we will refer them to our home program over at the CDBG office to get them a new air conditioner but that takes time. That takes paperwork and, et cetera. In the meantime, I try and rob Peter to pay Paul to get people into some temporary housing, whether it's, you know -- usually it's a hotel stay but sometimes that can last for up to two weeks. So you can imagine how quickly that drains that account. So having some of that kind of emergency assistance for folks that are falling through the cracks, that's what these dollars are going to do. So I would entertain any questions that you have.

I could go on, but I could talk a lot about really what you see in a person experiencing homelessness down on McDowell road. Scottsdale doesn't look like it did before all of this happened. We had -- in the point and time count, we started out at 50 the first year, four years ago. We had 50 that we identified. The next year it was 67. The following year it was 76. And last year, it was 100, this last year 102. But we already identified another 30 that are in our database. We know that problem is continuing to grow, and we know we are going to have to pro I some meaningful alternatives.

And one of those meaningful alternatives is housing first. You get people stabilized, and then they'll talk to you a little bit more. But when you are hot and hungry and need a place to shower, this is the kind of thing that we can use some of these funds to get them into hotels and get them stabilized so we can then look at some other determinants of health to get them on down the road. In a nutshell, that's it.

Mayor Lane: Thanks for the presentation, Greg. We have a couple of questions. I will start with Councilwoman Klapp?

[Time: 00:32:29]

Councilwoman Klapp: Yes, I have a question about the meals program.

Human Services Department Director Greg Bestgen: Yes.

Councilwoman Klapp: You instituted of delivery of meals to homes was that in addition to the

meals on wheels program? Was that still functioning in the same way or did it change at all?
Human Services Department Director Greg Bestgen: Mayor, Councilwoman Klapp, yes, it was in addition. The programs I spoke about, those were all in addition. And that's what we would like to do be able to do more of.

Councilwoman Klapp: Yeah.

Human Services Department Director Greg Bestgen: Because we know they need them.

Councilwoman Klapp: Has the meals on wheels program faced greater requests as well? Are they needing to have more funding as well? Do you talk a lot about that?

Human Services Department Director Greg Bestgen: My understanding is there is await list for folks that want to be on that program, and we have three different home delivery meal programs in the city which is complicated. And some of you know that and some of that you don't. This is something that Bill and I talked about today that we want to address. We want to try to codify what we are doing and get these groups together. This' wait -- but there's wait listed on all of the programs. There's only so many funds to go around. I don't know what area agency on aging received. I'm curious, what did they get and are they going to address some of these numbers, these wait lists that they have?

Councilwoman Klapp: Yeah. Yeah. I think that would be helpful if you could get people together because you have the meals on wheels program. You have the foothills caring corps and our meals program. You have the -- you know, the other aging program and I think it would be helpful if we kind of get a more holistic idea of what the need is out there for meals right now, because as you said, Maslow's hierarchy, we need to make sure that we are providing to people and I'm not sure I have a good grasp right now of what the need is.

Human Services Department Director Greg Bestgen: And Mayor, Councilwoman Klapp, what I would like to do is also work some of the delivery, the grocery delivery groups to get some of these groceries delivered on a weekly basis, utilizing these funds. That would be a huge help to these folks that, you know, that can't get out. And allow them to make choices that fit for them, because sometimes when we deliver the food boxes that we have, and that's also increasing the number of food boxes that we do is on this list. But, again, sometimes we have folks with dietary issues, different nutritional needs and it would be great if we could put a program in place with the grocers to make their own choices.

Councilwoman Klapp: Thank you. Very good information you gave us today.

Mayor Lane: Thank you, councilwoman. Vice Mayor Whitehead?

[Time: 00:35:26]

Vice Mayor Whitehead: Thank you, Mayor and thank you, Greg. It's very interesting. I have a couple of questions. On the homeless population, is there any funding for transportation to expanded shelters in other communities?

Human Services Department Director Greg Bestgen: Yes, council, Mayor, council, and Councilwoman Whitehead, what we intend to do is one of the agencies that I mentioned that we worked with pretty extensively, they provide that transportation and that is something -- that's a mechanism that we don't currently have in place. So, yes, it would directly answer that question.

Vice Mayor Whitehead: And you mentioned hotels. Obviously hotels are really expensive, but right now hotels aren't filled. Are you negotiating pricing for like a specific hotel if you are trying to put people in hotels? Is there some kind of negotiation going on to get the pricing so that we can stretch these dollars?

Human Services Department Director Greg Bestgen: Council, Councilwoman Whitehead, we have gotten several calls, but I think it was more brokers that it would help them if we could work with some area hotels. But Mesa has got a really good formula, and we are working closely with them. They have a couple of hotels. And the in thing for you all to know, that the neighbors in those communities right now, where they have folks housed in hotels, really have no idea what's going on inside, but they do it very smartly. They have police that actually are on -- on site throughout the 24-hour period and then they have another agency, community bridges that actually manages case management of those individuals daily. And that's a model that I would certainly want to entertain if we were going to go down that path.

Vice Mayor Whitehead: Okay. Great! That's great! And then on the -- you mentioned a lot about seniors, senior rent programs, senior food program, because this -- because of the economic downturn, can -- does it make sense to expand these programs and not limit these programs to seniors? Should we categorize seniors versus -- or just have rental assistants and food programs? Is there any benefit to doing that?

Human Services Department Director Greg Bestgen: Mayor, council, Councilwoman Whitehead, we got three different -- pretty much what you outlined that's exactly what we are doing. We are not -- [No audio] Things I know we will get hit hard with is probably in August. We will probably see September into the fall. We will see folks that are going to be really struggling because, you know, we know that there are a lot of people out of work. We know that the checks are not going to be coming in forever. And we know that folks are going to be -- and that I think is when we are really going to see an uptick in the requests on everything that you just outlined this. So that's what we are trying to prepare for.

Vice Mayor Whitehead: Okay. Three more questions. You mentioned the -- like the air conditioner broken and you stick people in a hotel. Can we have a reserve fund that just fixes the air conditioner and gets paid back?

Human Services Department Director Greg Bestgen: Um, that's a -- I think we can do that.

Vice Mayor Whitehead: That would be a lot cheaper, I would think.

Human Services Department Director Greg Bestgen: It would be, yes.

Vice Mayor Whitehead: Okay. Then the CDBG fund.

Human Services Department Director Greg Bestgen: CDBG. Yes.

Vice Mayor Whitehead: Yeah, that, it limits the rental assistance to three months. Can we set up a program that starts up of those three months. We know that this might last longer and have a separate fund that specifically -- so my whole goal is to not delay a financial problem but to prevent it. So we know we might need rental assistance beyond three months. Is there a way to set up a fund that specifically starts on month four?

Human Services Department Director Greg Bestgen: Councilwoman Whitehead, I think there probably is. I know right now we can do the first three months. Because we can usually do first month. But now we can do three, three consecutive months. It's kind of speaking to what I'm talking about that, you know, it will get tougher and tougher for folks before it gets easier. But I would be happy to entertain that.

Vice Mayor Whitehead: And I guess the final thing is as I look at the breakout, it would be nice to know estimates on your categories of what you really think in an ideal world, what you think would, you know, be sufficient money to deal with the people who are having these issues versus the money you are asking for, so we have a sense. I think if we keep people in their homes and we keep them fed and we keep the utilities paid, we prevent so many other problems. So I would like estimates on how much you think it would cost, you know, in an ideal world, if you could have the money you needed, how much would that be?

Human Services Department Director Greg Bestgen: Councilwoman Whitehead, I would be very happy to get that for you this all hit us pretty quickly. So as Jim said earlier, we are working to drill down on the details but we wanted to come to you with some general things that we definitely know we want to.

Vice Mayor Whitehead: I can end on that. I can't believe the last few months and then the last two weeks, city staff is -- I am so indebted to all of you. It's amazing what we have gone through and the amazing, seven days a week, the hours that people put in, including your staff. Thank you very much. And I think I'm done.

Mayor Lane: Thank you, Vice Mayor. Councilman Phillips.

(Time: 00:41:18)

Councilman Phillips: Thank you, Mayor. Mr. Bestgen. I don't know if you can answer this, but I know kind of at the beginning, the county had an idea of putting in a homeless shelter here and I think they were bringing people from Phoenix. Did that ever happen and were we able to utilize that?

Human Services Department Director Greg Bestgen: Mayor, councilman, and Councilman Smith –

Councilman Phillips: Phillips.

Human Services Department Director Greg Bestgen: Phillips. Yes, it did happen. It has about 36 individuals. We were able to place one and we had another one that had some mobility issues that we were not able to get them in, there but, you know, it's -- it's something that I think if we look at down the road, I think it's a model that we know that people will become ill. It was the new foundation site. I think we might want to kind of entertain what it would look like for us moving down the road to really help folks -- that would be of a wider community benefit.

When you help the homeless, you are not just helping the businesses that are wondering what to do with folks downtown. The community members who are wonder when they report that they have someone outside of their home. When you help these individuals you help the entire community. I think that that actually has been a good thing, even though it really wasn't designed for the residents that we see on that 140 database list that we have. It wasn't intended for that, however, it's still a benefit to those over 60, 65. They were all tested and all tested negative before they came to the facility. I think it's a positive statement. And I appreciate that Scottsdale has been -- I think we have been very responsive and supportive of that effort. But I think it's a larger discussion for us to pill up, Councilman Phillips.

Councilman Phillips: You are such a good man. You worked for Scottsdale for so long. You know what's going on. You know what is going on with our homeless and aged and all the problems therein. So I'm more than happy to give you what you think you into Ed to help them. And I appreciate all of your hard work. Thank you.

Mayor Lane: Thank you, Councilman Phillips. Councilwoman Korte.

[Time: 00:44:10]

Councilmember Korte: Scottsdale school districts distribute food to students. I think they estimated they have given away 25,000 meals in the last month and a half. Does the city associate with Scottsdale unified school district and in that program in any way?

Human Services Department Director Greg Bestgen: Absolutely. One the things on the list is to increase -- it's called the TFAB program and the idea is to work with united food bank to

increase that and St. Mary's food bank to increase that program. Because, yes, it's -- we know that when -- whenever we have it, they line up. We definitely have that on this list.

Councilmember Korte: Thank you. I think it's important to support the school district thank you.

Human Services Department Director Greg Bestgen: You're welcome.

Mayor Lane: Thank you, councilwoman. Councilwoman Littlefield.

[Time: 00:45:13]

Councilwoman Littlefield: Thank you, Mayor. I just wanted to say, I have had the extreme honor, while I have been on this council to work with Greg Bestgen and some of the things that he's done, talk with him. I know Councilwoman Klapp and I went and saw a couple of things with him that were of interest at the time. My biggest concern is not really what he's doing. I think what he's doing is great. And I'm more than willing to fund the needs that you -- real needs within our community but I am concerns with the future going forward that we have three months of food, and all of a sudden this COVID lasts for another six months after that. I would like to see some sort of planning going forward from this point. If that happens, where do we go? And how do we get there from there? Because you can't just feed people for three months and say good luck. [No audio] I know you have been a little busy, lately, but put that on your back burner if you would.

Mayor Lane: Thank you, Councilwoman Littlefield.

Councilwoman Milhaven: I realize I was one of the few that hasn't spoken and I will just say well done and thank you.

Human Services Department Director Greg Bestgen: Thank you.

Mayor Lane: Okay. I'm not sure if it's lagging but Vice Mayor, did you want to speak again?

[Time: 00:47:01]

Vice Mayor Whitehead: Can I ask two general questions for the city manager. When we allocate these funds, do we have the ability to change the allocation down the road?

City Manager Jim Thompson: Mayor, members of council, vice Mayor, you may change them however you so desire, plus you still have \$3.4 million that is not assigned to anything. And if I may, I know that we're going to run out of time, and I started with our -- one of our larger categories. We have three that are actually large that I can cover real quick after this portion as well. You can move any of the funds around. There's no obligation in any of these areas but I

think Greg provided us a great example of the depth of discussion that we had, of how to allocate the funds across as many areas as we potentially can, that those have been impacted by COVID-19 and how best it would serve the community and a lot of time and effort has gone in. 105 days ago, we activated the u of c, when we knew that COVID-19 hit.

We activated the recovery branch of it immediately and so we have been hard at work, looking what it might look like if we had funds available. We never knew the CARES fund until the latter part of March before we even knew it could be available to us and then the allocation just recently became available to us at a lesser amount than those over 500,000 -- lesser amount than those over 500,000. We finally found it out a few weeks ago and now we have the detail that we have and I think we are ahead of many neighboring jurisdictions and many will probably look to us to see how we handle many of these situations.

Mayor Lane: Thank you.

Vice Mayor Whitehead: There's no time frame to for spend out. If we set aside \$6 million, there's no time frame we need to spend that \$6 million?

City Manager Jim Thompson: That is correct. The only --

Mayor Lane: Okay.

City Manager Jim Thompson: Requirement that was associated with the funding of the March 1st, through December 31st that we had to submit to the state that we already done and received the funding. So there's no time line for utilization of these funds.

[Time: 00:49:11]

Mayor Lane: Thank you, Vice Mayor and Mr. City manager, thank you too. I'm looking at something that you have here with the COVID-19 recurrence preparation. I'm not sure that that is -- is that a planned action and program that's going to be implemented and to what point is that -- what does that exactly go to? Or is it another type of reserve on the basis of a recurrence?

City Manager Jim Thompson: Mr. Mayor, and members of council, if I may on that, that is something that has not occurred yet. It's a recurrence and we want to be careful of this. You know, we know the numbers as of today. We have seen another increase in numbers over the past week and there's a lot of different factors contributed to that and not to get into the details of where we are at today, but we wanted to be prepared and have it available to us, that if there is a resurgence, probably a better word, that we have additional funds that are set aside for that. In particular, P.P.E. or things that may present themselves that we're unaware of today, that may be just costs. And so if you recall, a slide that was put up with the three cities that we had or the three organizations that got their direct funding, their reserve amounts were

fairly large in comparison to ours, 49%, and 40% and the only one outside of that is Mesa is 3%, and we are at 18, and this is part of the 18%.

Mayor Lane: So that \$2 million is a reserve of a sort?

City Manager Jim Thompson: That is correct.

Mayor Lane: Depending upon circumstances as they might develop. Also the \$600,000, which is also on a continuing developing amount from the FEMA reimbursement, which we have received, that's not included here either, but it's also allocable to these projects?

City Manager Jim Thompson: Yes, sir.

Mayor Lane: So if I were to say that you already have talked about the \$3,466,000, and the \$200,000, at least from the standpoint of a worst case scenario of maybe having to -- a recurrence and the expenses that might be associated with that.

City Manager Jim Thompson: That's correct. To date we have spent about \$600,000 on the equipment and supplies and P.P.E.s and such and that's why we have the \$200,000 here. We hope that at least it's a one-time monies that we received. So we're hoping it's not an ongoing but there may be ongoing costs that we have to change our operational budget in the future years if this continues to have pandemic effects, societal changes otherwise that we have to address as we move forward.

Some of the other costs and I think it addresses it beyond the \$200,000, you will note that we are talking about U.V. disinfectant and selling of U.V. -- installing of U.V. in of our systems so it kills off the virus and the bacteria that are in the air and some of the environments that we feel that it would be efficient and effective to do so. So we're trying to make our facilities safer. There's funds in there on the community side, the \$2.9 million automatic doors for \$600,000, and touch-free fixtures for \$600,000. And we want to retrofit some of our buildings in today's world if we have a resurgence or pandemics in the future that we are more prepared than we were this time to minimize costs and increase our safety and care of utilization of our buildings.

Mayor Lane: Very good. Well, I know we're running out of time. I'm not sure exactly what our situation might be, whether we need to go to the regular meeting or whether you think -- a few minutes of --

[Time: 00:52:47]

City Manager Jim Thompson: Based on our time. I know our goal this evening was to try to get input to see if there's additional areas or movement. All of you, obviously, can share those thoughts and comments with me accordingly, and prior to July 1. We could -- I hate to say this right now, but the fact that we are running out of time, our goal is to bring this back on

July 1st to take action. You don't have to take action on all of it. You could just take action on a few of it. You know, whatever sections or programs you desire. Or we could have another study session prior to that on July 1st. Obviously, we have meeting dates, you know the end of the month and July 1st and 2nd and they are pretty full agendas, but, again, I'm looking at the city clerk and we really don't have the availability for time.

So that is kind of where we are at, but I don't want to wait on some of this because I think it's very important to get it out to the community and start making those impacts based on what we have had. So we are in a quandary.

Mayor Lane: We need to work with the A.G. and frankly the league as far as some of the applications of funds given that this was a pass through on the basis of reimbursement. And now where does it come from now as far as our distribution is concerned? And as far as our -- the state constitutions on gifting and this has some funny business -- well, funny business is not a proper term being really, but there's some real issues even in the A.G.'s office with regard to how we can apply these funds making sure that they are COVID related but at the same time, not in violation of the state constitution and ourselves. A lot of this is for our own protection, but nevertheless, I think the outline you have got here gives us enough really to start to talk about what kind of criteria we are going to have and where it will go. I think from that standpoint and I know that's something that we are working on right now and that's to make sure that we have the legal process in place, to make sure the applications fulfill the mission of the CARES act and the AZCares Act.

So you know, from my perspective and maybe from city hall, I think we have enough to work with as far as that application is concerned, using your discretion unless there's some other comments with regard to the categories that you have set out here. You know, starting to set things in place more definitively and maybe the areas that you think need more immediate attention. Other than that, we may not have some kind of deadline, and if we need to have a special meeting sometime if that ends up because the other meetings are just too filled.

[Time: 00:55:36]

City Clerk Carolyn Jagger: Mayor, my big concern is if you are supposed to act on the item July 1st, it would be challenging and have a study session and notify the public of what is being discussed at a meeting that will take place an hour later. I'm a little worried just about the noticing issue more than anything.

Mayor Lane: Yeah.

Clerk Jagger: We could potentially do a study session on the 30th but I don't think it resolves the posting and the noticing issue. It would take a little more conversation than what we can do right now.

Mayor Lane: Do we have some stipulation now if we were to run over, can we use time right now?

Clerk Jagger: You absolutely could, Mayor. You could continue this conversation until you are ready to start the council meeting and then run right into the council meeting. You couldn't start the council meeting earlier, but you can start it later.

Mayor Lane: Gotcha. All right. Well, I will leave it then to the city manager as far as what further things you think are important to communicate with us and ask, so we have some opportunity to talk about them now.

City Manager Jim Thompson: Mr. Mayor, members of council, I will circle back around with you individually and walk through the list and listen to additional costs and comments and be sure I reflect those in any future discussion we have.

Mayor Lane: We can do that. We do have a long meeting tonight. I'm sorry, Councilman Phillips and frankly we already have three people who want to ask a question.

[Time: 00:57:03]

Councilman Phillips: I was just going to say that if you are looking for direction, I'm happy to agree with the staff's allocation.

Mayor Lane: Okay. All right. Councilwoman Klapp?

Councilwoman Klapp: I would like to increase the vulnerable citizens allocation to \$3 million, from 2.5, since we do have some unallocated money.

And then under the business assistance programs, I would like to have a better definition of what that means. What is it that we are going to be assisting with? I think there's an area where we need to have a conversation, how that process will work and what type of monies are we going to -- what are the reasons we are going to be giving monies to businesses? There's got to be criteria. I'm assuming they will have to apply. And they have to be evaluated. So somehow I think there needs to be some better understanding of how we are going to spend \$6 million.

City Manager Jim Thompson: Mr. Mayor, members of council, Councilwoman Klapp, on that -- the issue, that's probably our most challenging one is the business assistance programs and definitively, which programs to look at. We looked at the few that have been available out there, and we have greater challenges on a couple because of our own language associated with gifting of public funds which takes an additional step. These are applicable to that because they are general fund funds, after they come through and then we fulfill the CARES requirement associated with the state money. We have to be careful in how we handle them. We have not

definitively decided on these areas.

We had citywide business marketing. We had that at 750. I'm taking that out for now would be my recommendation and reallocate that all to the small business assistance and then we have commercial utility and license assistance at \$700,000. Those would be the categories in there. We looked at loans. We looked at grants. We looked at utilizing third-party agencies to manage some of those programs and so we have a host of ideas and thoughts and now we are seeing which we can and which we cannot because of the gifting clauses and the other provisions the state constitution and state law that may limit our abilities to provide any direct or indirect funding that doesn't have a public purpose or a public, you no he, value associated with it. And so we are trying to work through those as we speak. And so this section, we do not have definitive programs.

I think in community, the citizen portion and the outreach associated with senior services and the vulnerable and our homeless, we have definitive programs, and we are already adding to those programs to take care of the increase. This is one of the areas that we don't have definitive programs yet. We are working on those as we speak and we have for some period of time.

Mayor Lane: Thank you, councilwoman. Vice Mayor Whitehead.

[Time: 01:00:07]

Vice Mayor Whitehead: Yes, I'm a little uncomfortable about not having a discussion, because it's hard to know how to allocate the money unless we see the whole picture, but if it's this group's desire to do one-on-ones, I would always recommend group meetings and small council groups. Can I -- I just want to confirm, so there will be no marketing, the 750 is being moved into business allocations and into business assistance?

City Manager Jim Thompson: Mayor, members of council, Vice Mayor, we -- my thought at this point we had established \$1 million in the area of the marketing and drops it to 750 and now we removed it. We just have small business assistance. If you are a small business, you can apply for funding and specific to do maybe, you know, your -- obviously there would have to be a bunch of conditions and, in fact, I have three pages of conditions associated with this area so far that we haven't ironed out totally and gone through the legal ramifications the same. But some in there has to be COVID related and directly related but one of the areas they could use it for is to advertise to reestablish the clientele that was lost during that period of time. That's one area that the small businesses cut. So there's some reason for that. But we will just blend that in with the small business assistance rather than having a separate line item for advertising and marketing at this time.

Vice Mayor Whitehead: Yes, I support that. \$750,000 will keep a number of businesses going for months and months. I was wondering about having categories like micro businesses and small businesses and medium sized, because the grant for a small business could go -- it could

be smaller but keep that small business and their employees going. I was hoping to have categories and then I really liked Scottsdale I.D.A.'s Grant guidelines. I was hoping those could be used and hoping staff will consider those. I was thinking about different mechanisms for distributions because of city attorney Scott's email.

One thing is that we know that the TDC, which normally grants out a million dollars for businesses that want to put on events, they are at \$31,000 for this year. So that was another mechanism I wondered if -- if some of these funds could go to the TDC and supplement so they are not going and -- to their reserves. So also, I wondered if -- I think -- I can't remember if it's Phoenix is doing -- has contracted out granting -- I thought one of the city's contracted out granting and I wondered if that's a way for -- to do it, if the gift clause is a problem.

And finally, the city of Mesa has an RFP out for technical assistance, because all this federal -- these federal dollars, as everybody knows, they are tricky. For instance, if you do your accounting wrong, the PPP becomes not a grant but a loan that you have to repay. And so the city of Mesa is providing -- or is accepting RFPs for attorney, accounting and also business assistance for businesses so that they, for instance, renegotiating leases. So those were some of the items I thought looked good and I just think that we need -- I think it would be better to have a group discussion, but I will defer to the group if it seems like the majority wants to just move forward.

[Time: 01:04:09]

Mayor Lane: Mr. City manager, one of the things that I wanted to lend to that area of businesses, our primary thing is assisting individuals and businesses, businesses to get back into action and rebuild our economy, certainly which would alleviate a lot of the issues that we hoped not open a recurrence or otherwise to build on, so that we are not going to continuance of -- sort of a welfare situation and sort of a rescue situation. But the other is that our primary motive here is not really -- or concern is not really with a gift clause or on the state level and/or the city level. In fact, these funds are federal taxpayers' dollars that are intent on assisting ultimately the intent is to make sure that we apply them to those who have been injured or somehow are in need of rescue or assistance to make sure they make their way through this.

So I think our focus needs to be more on the idea of exactly what we're doing with the money. I don't believe this money is intended really for somebody who has not been affected by it, but that we want to sort of continue a program that might be -- the advertising may be the one thing about it, but I think some of the others would be questionable if they haven't been harmed during the course of this event. I only mention that because there's a lot of things that you delineated and lined them out here just very quickly. I think it will be very important to see this and also to make sure that it's on that task, because if there's ever going to be a challenge, it's going to be that we use somehow city monies to give to a business that wasn't affected by COVID. Now, I don't know that that's even being contemplated, but it's careful.

And pardon the assertion that setting that off to a contractor to do in our stead won't necessarily avoid that complication. So, thank you very much and thank you, vice Mayor. Councilwoman Littlefield?

[Time: 01:07:00]

Councilwoman Littlefield: Thank you, Mayor. If we are going to be running out of time to discuss these between now and July 1st, I would really appreciate a detailed definition on each one of these items and what the different things are that you plan on spending in them and how much you estimate -- and I know it's an estimate -- for each item. For example, in arts and culture, what will you spend that \$1.5 million on? And what do you anticipate, excuse me, the cost to be for each one of those projects? And I would like to go through each one of these. We kind of did it already on one, which was very good. But I would like that kind of detail so that we can look at this and say, hey, is this where we want to go with it or not? And I know we talked about some of these issues, but I think if you could send a long, humongous email before July 1st so we have a few days to look at it and read it, then we would go in better prepared to make decisions. Thank you.

Mayor Lane: Thank you, councilwoman. Number one, I would want to just confirm, I think that's a very -- that's a very important element for us to be able to look at, even though you have already stated the fact that we can move these funds around at different times and we also have reserves, but it's a good starting point to sort of set the priorities and where we might be looking. I would certainly vouch for that. And also on the overall, I would certainly be in favor of what you have got here. Again, subject to some of the considerations that have been discussed here, as well as the idea that it's not immovable, you know, once it's put into place. I see that the Vice Mayor would like to speak again.

Vice Mayor Whitehead: I forgot one important point and that is that I support Councilwoman Klapp's -- I guess opinion that we should move more money into the community category. And also, I personally would like to see a far bigger chunk for reserve because a lot of people are still living on federal dollars they got. That's running out. I would like to see more in reserves. That's it. Thank you.

Mayor Lane: Okay. I see no further conversation on this. This is a work study session and I think the city manager has received a good bit of guidance and maybe I should just ask, on general, is there a consensus with regard to accepting these categories and this funding as we have got it? That's a yes? Yes? I think we already have a yes? Yes? Very good.

City Manager Jim Thompson: Excellent. Thank you, Mr. Mayor.

ADJOURNMENT

[Time: 01:09:13]

Mayor Lane: Thank you. All right. Well, that does take care of the only item that we have on our work study. So I will ask for a motion to adjourn.

Councilmembers: So moved.

Councilmembers: Second.

Mayor Lane: And seconded. We are adjourned. Thank you very much.