
This document was created from the closed caption transcript of the May 17, 2022 City Council Work Study meeting and has not been checked for completeness or accuracy of content.

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CALL TO ORDER

[Time: 00:00:00]

Mayor Ortega: It's only 7:00, so we can convene then our work study session. Therefore, I call to order the May 17th, 2022 city council work study session. I call us to order.

I'm noting for the record that council is all present and the charter officers are present as well. We are as posted, opening a work study. Our work study session offers the council a less formal setting to discuss specific topics with one another.

And city staff -- and provide staff with an opportunity to receive direction from the council. It's semi-informal that at the same time, we do appreciate some sort of ordered response on the key topics in discussion.

PUBLIC COMMENT

[Time: 00:00:58]

We also provide an opportunity for the public to step forward to discuss the work study item which is posted and I -- have we had -- we have had one request for work study -- excuse me. I'm looking at this.

We have two citizen requests to speak to the topic which is the citizens committee regarding

the .2% sales tax. That's Alex McLaren and then Steve Tyrel. Alex, please come forward.

Alex McLaren: Mr. Mayor, Vice Mayor and members of the council, my name is Alex McLaren, I live at 7624 east Osborn Road. I'm here to support you in this effort. I think it's a great idea to appoint a task force to look at the possible extension of the sales tax. I looked through the presentation which will be made. There's discussion, obviously of the preserve. 0.2% expires in 2025 that goes to fund preserve activities.

And I think at your January meeting, when you discussed the vision for the preserve there was general agreement that buying land would not be part of the program. You focused in on the maintenance. I think that is appropriate and there is the .15% tax as well, which expires in 2035 I believe.

I think when the 0.2% tax expires in 2025, it would be projects which could be funded -- those funds could be used for that. For example, the council has approved the Indian bend wash master plan, between Thomas and McKellips.

The city is currently doing the plans for the fixing of the irrigation and the lakes but there are significant investments that could be made in -- in the Indian bend wash. They're also in the bike path that traverses the whole of the Indian bend wash. There are significant improvements that could be made that as well.

So those I think could be funds which could be used in that area. And I'm sure there will be other projects which will surface in the next year or so, while this is being discussed, and those -- and the extension of the tax could be used to do those. And obviously, the voters would ultimately need to approve any extension of the 0.2% tax, but I think appointing a committee is a great idea. Thank you.

Mayor Ortega: Thank you. And Steve Tyrel. From time to time, they go remote, but do we have an indication? Okay. Well, then I will close the public comment and ask for the presentation.

WORK STUDY ITEM 1 – CITIZEN COMMITTEE TO CONTINUE 0.2% SALES TAX

[Time: 00:04:50]

Mayor Ortega: We'll have the presentation by our treasurer.

City Treasurer Andrews: Yes, Mayor and councilmembers. I'm looking for someone to bring up the presentation right now. Thank you. Thank you, Mayor and Council.

This is to look at the citizens committee to continue the .2% sales tax. Just some background information on our sales tax. Scottsdale's combined sales tax rate is 8.05%. Of the 8.05%, the city collects 1.75%. The 1.75% is approved by voters for specific purposes, as listed on this slide.

Today, we're focusing on forming a citizens group to discuss the preserve portion of our sales

tax. Next slide. So to give us some history on the preserve sales tax, 30 years ago, citizens of Scottsdale and the city council had a vision to protect the McDowell mountains by acquiring portions of the mountain and the surrounding areas.

So in 1995, voters authorized a .2% sales tax for land acquisition. In 2004, voters authorized another .15% sales tax for more land acquisition and land improvements like trails and trailhead construction. Voters also gave the city 700 million in bond authority, and the city issued a total of \$526 million in debt. There is about 244 million of remaining debt today which will be paid off by 2034.

As a result of these efforts over the last 30 years, we have an amazing treasure in the McDowell Sonoran Preserve today. Next slide. So as mentioned earlier, the two sales tax voters authorized are for land acquisition and land improvements only. The first sales tax of the .2 tax is set to expire in June of 2025. It is important to note that no decisions have been made yet on whether the tax should be replaced. Next slide.

Council has directed staff to consider whether we should replace the .2 tax with a new tax for a new focus. And also council has directed staff to hook into forming a citizens group. Next slide. So the purpose of today's study session is to receive direction on the structure and the makeup of the citizen group and also to receive direction on the overall mission and objectives of the citizens group.

[Time: 00:7:45]

I will be taking us through some slides for decision points and discussion, and we are only asking council for direction on what kind of citizen group we want to form and the general commission and objectives. So the next five slides, I will be walking us through some decision points. Next slide.

So first of all, on the structure of the group, on the left side of the slide, we can have an advisory task force, kind of like boards and commissions. These would be formed by council resolution. We would have a formal application process, that's already in place like our boards and commissions.

It requires Scottsdale residents to be on this task force. Typically, we would have seven members. The members are selected by council. Open meeting laws are required, and the task force would directly advise council. Conversely, we could have a citizen work group where the application process is not necessary, but in this case recommended. Members are selected by staff.

It can include nonresidential stakeholders and it also can include board and commission members. The size is more flexible. Open meeting laws would still be observed, and the work group would advise staff and staff would make that recommendation to council. I would recommend the more flexible citizen work group that would gladly take council's and direction

on this at this point.

Mayor Ortega: We will discuss topic by topic. And Councilwoman Janik, lead some of the conversation.

Councilmember Janik: Okay. Thank you, Mayor. I think that the public body advisory task force would be the most effective way to proceed. I especially like the fact that council can select the members of the committee.

I would suggest that perhaps instead of seven members we have nine, but that's just a suggestion: We have quite a bit of diversity in this city and I think with a little bit -- a few more members on the committee, we could address the diversity that we have. Beyond nine it gets too big to discuss the topics with that many people present. So I would ask --

Mayor Ortega: That's just the initial and we'll continue with other council people weighing in. We noted that. Councilmember Milhaven and then Councilmember Whitehead.

[Time: 00:10:38]

Councilmember Milhaven: Betty, did you finish your comments.

Mayor Ortega: I think we are going to talk about --

Councilmember Milhaven: I like the citizen work group better. I think that if we're really going to be honest and say that we want public input, then I think, if the task force, it becomes much more of a political exercise and an honest and open dialogue among the community members about what our needs might be.

I also like the citizen work group because you can have nonresident stakeholders. So we might have someone, for example, who owns a business here in town, who would like to participate, who if we go through the advisory task force, would be precluded from participating and I think business owners, even though they may live in north Phoenix, they have a business here.

I think they are an important stakeholder that should have a voice at the table because they do thing as diverse a group as we can get in terms of geographic representation, north central, south, different businesses, maybe some nonprofits, I mean, I think it would be a broad array of folks who would want to weigh in. I also -- we have a rule that says members of boards and commissions can only be on one board or commission if we do the advisory task force, I think there might be some folks on some of the boards and commissions that would be really good to serve on here.

So I like the citizen work group better for all of those reasons. So thank you.

Mayor Ortega: Thank you. Councilwoman Whitehead.

Councilmember Whitehead: So I really support the advisory task force. And I don't think there's any -- we appoint boards and commissioners all the time, based on what we think is best for our community, not based on our political agendas.

So I -- [Off microphone comments]

Councilmember Whitehead: I disagree, I think we really work-- I find that disrespectful Councilwoman Milhaven. This council is working very hard for this community. So my personal opinion is that the advisory task force is absolutely the right way because -- and I would like to find a way for the commissions possibly to weigh in but I would like to diversify the voices that bring ideas and recommendations beyond the boards and commissions.

I also would like to make sure that the people who participate on the task force are Scottsdale residents. I think that's very important. I think people from outside the city are welcome to come to the meetings, and give input to the task force members and to the city council when it moves forward.

But I think this is a -- the citizens of this city, six times went to the ballot box on this preserve, and I would like citizens to be on the board. I love the idea of nine members because this is a short-lived commission. This is not a forever commission. I think that having this task force directly advise council is good and I want to talk about the diversity.

We are trying to go beyond -- we are probably going to do something quite different with this task than what was done for the first two taxes where citizens from all over Scottsdale, every ZIP code approved tax hikes to acquire and preserve land in the north. So my idea and it's just an idea, and I'm one of seven is that this perpetual maintenance fund be part of this tax.

[Time: 00:14:33]

This is something for the task force to consider, and that it include the green belt and include our parks and the preserve. So, I'm wondering if there's a way -- this is a question for staff, just one moment -- to make three -- if we have a nine-person task force appointed by the council, would it be possible to have three people -- or some number, I'm just throws out three people represent different parts of the city so that we make sure that we have south, center and north and I don't know if that's possible.

That's my only question.

City Attorney Scott: Mayor and Councilwoman Whitehead, I do think that the Council could have that restriction, you could have that restriction or those parameters as you form this committee, or you could keep it in mind as you make appointments if the council decides to go with the advisory task force.

Councilmember Whitehead: Okay, so I would throw it in there that I would like to see some kind of geographical requirements.

Mayor Ortega: And I will butt in here a little bit because I do agree with the nine person. I think it's ideal to have, you know, original Scottsdale center and north represented with three each. I think that makes beautiful sense. I'm definitely tuned into the task force concept. I think when one says well the staff will nominate and place people on a committee of this import, it's not appropriate.

So I realize we are all weighing in and each idea, I think I would definitely concur with what you just said, Councilwoman Whitehead and next, I have Councilwoman Littlefield.

Councilmember Littlefield: Thank you, Mayor. I have spent a great deal of time studying this and thinking about it, I think I went into a little more detail than what some of the others did. I do believe that we should form a citizen advisory task force. This task force should have the responsibility of serving the public for their feedback, on how they wish to move forward on the maintenance and care of our preserve.

[Time: 00:16:58]

If we wish to add to this equation, the maintenance of the green belt or other parks, that's fine with me and those questions could be discussed by the task force when they meet. This could be -- what I'm actually coming up with is kind of detailed. And it's almost a combination between the two because I wasn't completely happy with either or scenario. So I'm just messing it up again.

But I do want a task force and I picked and chose from the two groups of what I think might be good and a knowledgeable working team. I don't think the council needs to limit the formation to either/or decision on this page. It should be a citizen task force or group. Therefore, individuals who want to participate in this, should put in applications for consideration. I think seven members are too few.

So I think we're all kind of agreeing on that we should have members from all areas of Scottsdale, after all, we all pay sales taxes. If we choose two from the north, two from the central and two from the south parts of town, that's six members right there. If we want to include members on boards or commissions, I think parks and recreation, the current preserve commission and tourism, were good choices as presented on the slides. That's three more.

There should also be an advisory only staff membership and I think at least one staff member with a strong knowledge of the preserve, its history and its anticipated maintenance needs and costs going forward. There should be at least one staff member for legal advice, and one staff member for financial analysis on costing. And to help create an estimate of the percentage of tax that might be needed to identify and pay for all possible needs.

And finally, I think it would be a good idea to have one member at least from the conservancy on the task force with a good working knowledge of the needs they have addressed to date, and what they anticipate in the future. That adds up to 13 working members of the task force which I believe is a manageable number.

Together they would also have knowledge and expertise needed to make a well-informed and well-rounded decision. I don't know at this point what a required sales tax percentage might be or even if we need a new sales tax. There's some other questions later on. I'm sure that I have some things to say about, but this is one of the first things that the task force needs to determine and, of course, open meeting laws should always be observed.

Mayor Ortega: Thank you very much. Councilmember Durham and then Vice Mayor Caputi.

Councilmember Durham: Thank you, Mayor. I'm in favor of the advisory task force model. I think this inevitably is going to be a political issue by definition. So I think that the people who answer to the people should be the ones making the selections.

So I think that we should be making selections through an application process which works very well for the boards and commissions. I agree that there needs to be a geographic distribution of members, but I think through the application process, we can identify other candidates that we think would be useful, such as people with financial backgrounds, people with historical knowledge of the preserve, and so forth and so on I think Councilmember Littlefield's suggestion 13 is a little bit too much.

[Time: 00:20:55]

I don't think we need staff members on the task force per se, because they're always available to us. We can consult with the city attorney or staff people would have knowledge of the preserve or board and commission members. So we can always consult with those people as well as, non-residents or businesses, those are always available to us to receive input but I don't think they necessarily need to be part of the task force. I think 13 is a little bit too much I think 7 is too small. I think 9 is a good number also. So that's my position on the formation of the advisory task force.

Mayor Ortega: Thank you. Vice Mayor Caputi and I have a few comments to wrap up this part.

Vice Mayor Caputi: I have a slightly different comment than anyone else and maybe it's a question for staff. So I'm under the impression that we have an awful lot of money left over from this tax, something around \$70 million, and we have accomplished our goal of acquiring the -- this amazing preserve that we have and that we are all very proud of.

So, since there are sufficient funds collected and everyone seems to be in agreement that we want to set up the ability of our preserve to be maintained in perpetuity, why couldn't we just repurpose the funds to maintenance and ask the citizens to switch the use from acquisition to

maintenance and call it a day?

Like, I just feel like we're making this way more complicated than we need to, 13 people, 9 people, 6 people, task force, work groups. When really we just want to maintain our preserve and we have the money to do it. I'm just not a huge fan of increasing and extending taxes when there isn't a definite use for it.

And I agree with Councilman Durham, this is going to become super political. I mean, if we go with an advisory task force, and we all choose a person, of course we're all going to -- it's just going to look like agendas and you would feel much more comfortable with a citizen work group but again, I don't understand why we even need to make it this complicated. Is it -- couldn't we just repurp -- ask the citizens to repurpose?

Mayor Ortega: So at this point, perhaps we can get an answer to that question. It's not really the subject that we have, but I understand your direction. You're requesting a status of projected funds or possible funds. I have been to a couple of the McDowell Sonoran Commission meetings and there is -- that's somewhat in flux.

So that may be a question that staff can respond to are but it's not really part of our discussion at this point. I thank you though. Did you have anything else in terms the composition of the citizens group.

Vice Mayor Caputi: No, it sounds like it's going to be a task force.

Mayor Ortega: Okay. We will go to Councilwoman Milhaven and then Janik and then Councilwoman Littlefield.

Councilmember Milhaven: First, I would like to apologize Councilmember Whitehead I apologize for interrupting your remarks. And then second, I'm clearly am out numbered in terms of the citizen work group among my colleagues but I -- the other reason I liked that too was we had a lot of success with the short-term rental task force which followed the model of the citizen work group.

We had broad representation from the community, we could move pretty quickly to get things done. And so I thought we could leverage the success of that model, but clearly I have been out numbered. Thank you.

[Time: 00:24:23]

Mayor Ortega: Okay. Let's see, we will return to Councilwoman Janik. I think there's a consensus here, which I would like -- Councilwoman Janik, could you help with us consensus?

Councilmember Janik: Thank you, Mayor. It appears we have a consensus. Is everyone okay if we vote on it? Or do we just want to -- Kathy would like to speak so before uh we --

Mayor Ortega: Well we can have a nod of heads and we've all expressed but specifically on the you know the number of -- you might -- you might ask for that. Just one by one. And then geographical compatibility and so forth, that would be useful for the direction that we're looking for.

Councilmember Janik: Okay

Mayor Ortega: Thank you. So, um I --

Councilmember Janik: Should I continue?

Mayor Ortega: So I give you the floor first, so yes, if you'd like to ask for some consensus then if there's remaining things. We're going to go to the mission next. So the mission is not part of this discussion at this time, just to clarify that. So to just on the composition and structure of the citizen group.

Councilmember Janik: First of all do we have general consensus or majority consensus that we want an advisory task force?

Mayor Ortega: Yes.

Councilmember Janik: Okay. Nod. So one, two, three. Okay. So it looks like five. Formed by council resolution?

Mayor Ortega: Yes.

Councilmember Janik: Is that agreeable? Formal application process, I gather we had consensus on that. Scottsdale residents.

Mayor Ortega: Yes.

Councilmember Janik: It's a little more controversial. But we have majority. A nine-member task force.

Councilmember Littlefield: I think I must have misspoke. People seem think I wanted 13 members. The members from staff would not be members of the citiz -- the force itself, the task force itself. They would be advisory there to help with information and knowledge and expertise in the various areas, but they'd not be a member. So I was actually at 10. So nine is fine too if you want to knock one of the others off.

[Time: 00:26:46]

Councilmember Janik: Okay. So we can nod if we are in favor of a nine member task force.

Mayor Ortega: Yep.

Councilmember Janik: Members selected by council. I think we have agreement on that. And open meeting laws are required, yes. And the task force directly advises the council.

Mayor Ortega: Yes. And we also talked about geographic distribution.

Councilmember Janik: I'm sorry that we would have geographical distribution.

Mayor Ortega: Probably in threesies

Councilmember Janik: And I would suggest we use the same one that was used for districting because we now know the population numbers are balanced.

Mayor Ortega: Sure.

Councilmember Janik: And it's a reasonable approach.

Mayor Ortega: Let's move on to the rest of the presentation.

City Treasurer Andrews: Okay. Thank you. Next slide.

So as we form this advisory task force, I wanted to go over some specific knowledge or experience that may be desired through the application process. I have four basic finance knowledge and basic knowledge of Scottsdale community needs, experience with similar work groups, task forces or, experience working with public entities or nonprofits, and this -- on this slide, I'm looking on council's direction on what other experience or knowledge is desired from the applicants that we're seeking. Or if any of these should come off the list.

Mayor Ortega: You know, at this point, we are basically having an open application process. In my opinion.

City Treasurer Andrews: Okay.

Mayor Ortega: So people may apply and may be part of the conservancy is or not, or that I may be four people with a lot of financial experiences or as they come forward through the nominating process, we may find that three of them -- that some of my choices are other people's choices.

So they kind of fall off my list of the ones we'll end up appointing. So I think that on one hand, these are the considerations we generally had for other boards and commissions and I -- I believe that if we were to say, well, I wanted an enthusiast, you know in the green belt. I want

someone that's used to going -- or I want to bike there. People will come forward in the natural process.

[Time: 00:29:18]

That's my overall opinion that I don't know that we need that much specificity. I believe that people from the conservancy will come forward. I believe that, you know, we want to encourage open space participants to all have a stake, as well as businesspeople and so forth. All of that is going to come out in the balance of how those selections are made.

Obviously, if we only chose businesspeople, it would be too loaded that manner and I think that's how -- that is what is great about Scottsdale, right? We get really terrific applicants. Now, if we want to talk about the -- that's my overall view of the makeup of it. Councilmember Durham, did you have a comment too? Just generally and we can move on to the next.

Councilmember Durham: My comment was in the application process, these are some of the applications that should be asked in the application process, which would I think be similar to the boards and commissions, but I think for purposes of this group, it would be useful to ask about people's use of and knowledge of both park and the preserve, just to get an idea how they interact with both of those.

Mayor Ortega: Thank you. Is that the consensus? We have the standard application, standard. Next, Councilwoman Littlefield.

Councilmember Littlefield: I thought the suggestions by staff were good. As I said before, you know, consider people would have parks and recreation experience would have the preserve commission knowledge and experience maybe previous people would have been on the commission that they are not serving now that would be possible.

Our tourism, and understanding the tourism plays that go on in Scottsdale. So that would be important too. Also, I think conservancy would be important to consider a member of that. Just my thoughts.

Mayor Ortega: Sure. So I think this is useful and we can move on to the next topic, unless there's other discussion to bring up. Just generally the makeup, we believe, will be quite broad and wide. So moving on to the -- sorry the mission.

City Treasurer Andrews: Next slide, please. In slide, please. So I have just three slides left. So I will go through the last three slides and I will turn it back to you all to discuss the direction for mission and objectives. So the second purpose of today's study session is to receive direction from the council on the general mission and objectives of the group.

And so we put together these three suggestions for the group as a mission, should we replace the .2% tax for what purpose? An what should council ask the voters to authorize? And next

slide.

As far as objectives for the group, at a high level, identifying the needs related to ongoing preservation and perpetual maintenance, green belt and other open space and any other city needs that the council may direct and also the second objective maybe could be to engage in surveys and public education and outreach.

[Time: 00:32:47]

And last slide I have is our proposed -- we would start the application process in October of this calendar year. We would have council select the advisory group members in December and the advisory group would start meeting in January. So I will turn that back over to council for discussion on the mission and objectives of this group.

Mayor Ortega: So let's start with that and later we will look at your timetable, which we hope to -- we'll be coming into a summer break and recess. So Councilwoman Whitehead and then Councilmember Durham.

Councilmember Whitehead: Thank you, Mayor. So on the -- first of all, on the timeline, is that -- you mean is October/November, I guess should we try August? Is there any benefit of bumping up the application process to summer? To August when we come back in session? Or is there a problem with that?

City Treasurer Andrews: We can do that.

Councilmember Whitehead: Okay. That might be a good idea. And on the -- identify the needs -- so in 2004, it was purchase and preserve. That was catchy. A lot of needs have to do with preventative actions and that the fire department does, can do. And I would like to include fire -- you know, public safety as a separate item here.

Mayor Ortega: Okay. I think that what you are saying is your thoughts and so I appreciate that. I know you jumped to the schedule which was what we were going to hit -- I thought we would hit it a little later, but do you realize it requires council act on a resolution, no to be able to have appointments. So, you know, saying we are going to rush appointments before we have a resolution is not really --

Councilmember Whitehead: Yeah, that's fine.

Mayor Ortega: This is set in good order, I believe. Now, the -- so the mission portion -- and I see Councilmember Durham, but I also want to say that perhaps, yes, we can give a general umbrella of discussion, and then we'll refine our discussion tonight, right, a little bit.

[Time: 00:35:26]

But it still could be that there's still some things that advisory commission will see if they have enough broad -- whether they have that we don't see tonight. So it's good to discuss some specificity, but I don't think that's really necessary if we -- if we are dealing with two topics. First one is, do we believe we should give this advisory the purview of making recommendations on the .2. That's one question. The. In question is: What is the purpose, right?

That's the next thing we'll be looking at. And the third one would be perhaps what are the finances that would make that workable? So I know we have some detailed thoughts in some of those ranges. But I believe that, yes, that we should ask that the task force be -- be given the task of the -- and I call it, you know, a new -- a new purpose, right? It's the next step.

And generally, we have discussed that we are moving into the mode of open space. And open space could include many areas of the city and open space always has policing and security and it has a graffiti position. I saw someone was dumping sofas in the preserve there for a while. No, it did happen and it is happening.

So there's some policing aspects that may be part of the security of that, just as there are in open space in our parks or other areas. So it's really a broad question in my opinion that the mission -- the directive that we are giving is that the staff move forward with some sort of framework -- that might come forward in a resolution form based on some guidance that we are giving tonight.

And now moving forward with Councilmember Durham and again, open thoughts are great. I just want to keep to our broad subject as well. If Councilmember Durham, Councilwoman Whitehead, and then Janik.

Councilmember Durham: Thank you, Mayor. On the slide that says identify needs related to, it says preserve and then green belts and then it says other city needs. I think we ought to kind of strike out the other city needs. I think working on the preserve in the green belts, parks, is more than enough. So I think that the instruction should be limited to those points. And not give them free rein to look at other city needs.

Mayor Ortega: Okay. Again, there's always security and there's always fire prevention and other things that are going to be chargeable to protecting the preserve. I see that written into my mind by saying that. Now, the where is still there, which I hear you. You are saying, open space. Green belt parks coast to coast, right? But I -- but it would only have to be directly related to those.

Councilmember Durham: Well, the slide on identifying needs includes preservation and protection. I think the thing that you are talking about --

Mayor Ortega: And I read you on that.

Councilmember Durham: Invasive species is another big subject that has not come up and I think that would be fully within this in terms the preservation and perpetual maintenance and that may be a very big expense. That could be included in here.

[Time: 00:39:32]

Mayor Ortega: Great. And anything else? Again, we're just getting a reading right now.
Councilwoman Janik. And then Councilmember Milhaven.

Councilmember Janik: Way wanted to do was see what the objectives for citizen groups since we have been discussing it. Do we pretty much have general agreement on how we agree with what's been presented with the exception of other city needs being eliminated? And so I see --

Mayor Ortega: We might have more discussion from Councilwoman Milhaven. We are heading in that direction on answering these questions as we go.

Councilmember Milhaven: I feel very, very, very strongly that we need to leave other city needs in. I think we need to look at future public safety costs, might there be police costs or fire costs, or, you know, I think if we're really going to go to the community and say, well, we want the future of community to look like, what are the things we need to pay for in the future, if that's what we want.

I think we do need to give them free rein to consider everything else. If they come up with too many ideas, they will have to Whittle them down to say what are the most important engineers are what are the things that are more people want? I think we need them free rein to consider a broad array of options.

Mayor Ortega: Thank you. Councilwoman Littlefield and then Councilwoman Whitehead.

Councilmember Littlefield: Thank you, Mayor. One the things I would like to talk about, and I agree somewhat with Councilwoman Milhaven, however, I don't want it so broad that the monies can go to anything anybody said says, oh, yeah, the preserve will benefit if we go out and get off of supplies.

So it needs to be something that is related to our parks, to our preserve and to the things that we are trying to protect here. And trying to keep safe. Yes, but it has to have some sort of actual connection to what it is that we are putting this money aside for. It can't just be so open ended that anything goes.

One thing I would like to say we had a lot of discussion about -- I think I have been on the tape topic as Vice Mayor Caputi in some of this area. The bonds -- 25 bonds will be paid off in 2025. And we'll have approximately \$30 million balance cash in that account at that point in time. Also when the 2034 bonds are paid off, we will have an additional \$30 million.

[Time: 00:42:26]

So maybe one of the things that we might want to consider, is if we don't need another bond but we could put this money with the vote of the citizens to allow us to do this, into an annuity, which we could then use the income from which to help pay for some of this. That would be \$30 million at 1% interest rate, that's \$300,000 a year income. If you have both of them, that's 600.

So, you know, you can say, hey, that's a pretty hefty amount of money to pay for conservation and upkeep on the preserve right there. So one of the things I want the task force to be looking at is what is it that's going to cost -- how much is this going to cost? What are the actual estimated real costs going forward every year? And do we even need another source of income? Not even saying that we will live off the income. That's something to look at and study.

If we have, you know, \$600,000 in income every year for maintenance of the preserve, we probably won't be able to need all of that, some of that can be enter kept back for emergency and fire and plant life we don't want in there.

We can continue using that money as our source of income but we would have to get permission from the citizens to do it. Those bonds are very dedicated to only certain things. That first bond can only be used to pay for land. So we would have to say that bond is closed. It's gone.

Now we want to use the balance from that bond with permission from the citizens to put it into an annuity so that we can use it for the maintenance of the preserve, and maintenance and the upkeep for the green belt, the parks and whatever the task force decides is necessary. And I think the same could be done with the bond when it expires in 2034. We are going to have another \$30 million balance, which could be added to an annuity with the permission of the citizens. And it also needs to be very clear that the original bonds are going to be closed. They are not coming back.

Mayor Ortega: This is our second work study on this. And when we had Kroy before, I heard or I recalled that they predicted that it would be about \$2.2 million a year just to prevent the fire hazards and the invasives. So you know being all this discussion is free throwing and we will get to the costs perhaps, but I'm trying to -- we're going to look at these objectives first of all, on this subject, with -- without looking at any proposed balance.

Councilwoman Littlefield: Well, I was going off the budget.

Mayor Ortega: Let's stick to this area. I'm trying to get consensus on this point. I'm calling to mind item number 2, which I want to say this is very important and I agree with it. The reason is it does have an education component. Now I read that as the possibility of running our city trolley with school kids up there may or may not have the access or the funds.

So it would be directly related, sounds good and it could be -- again, I'm hoping that we can get consensus as we go here on the objective and then we'll get to the money next, if would you like.

[Time: 00:46:05]

Councilmember Littlefield: Well, I greatest challenges he with you and that's one of the reasons I suggested a member the conservancy would be on the task force because they do a lot of that education and they know what the costs would be and finding out what the costs are is going to be a big part of this task force.

Mayor Ortega: It's the next slide. That's why I'm saying, I will go back -- well, Vice Mayor Caputi, and then I would like to go back to Councilwoman Whitehead and get a consensus piece by piece so we can build our direction for what comes forward.

Vice Mayor Caputi: I think the money is important and I agree 100% with Councilwoman Whitehead -- I mean Councilwoman Littlefield. Let me say that again. I totally agree with Councilwoman Littlefield. I don't think it should be a slush fund. There's an awful lot of money in here.

We asked the citizens, including ourselves to tax ourselves to acquire the preserve. We have all agreed that having a \$2 billion investment we want to maintain it and invest in it. With 70 or \$80 million you can protect and preserve the preserve in perpetuity. We have more than enough money.

So to ask the citizens to continue a tax that we don't know what we are doing with. I don't understand why we would use that money as an open slush fund. I know that is not necessary necessarily what you want me to talk about. It's hard to think about the other things since I feel like this is just a little too fuzzy and, again, it's hard for me to approve continuing a tax -- we need to put it out to the citizens, of course. But we're playing with this money like it's our money to play with and it really there isn't yet.

Mayor Ortega: Anything else?

Vice Mayor Caputi: That's it.

Mayor Ortega: We will get to the money subject or the other subject of surplus funds and next, I will go to Councilwoman Whitehead and then Councilmember Durham and I'm hoping for consensus.

Councilmember Whitehead: Yes, with err doing a lot of counting chicks before they are hatched. Whoever tried to spend money that they haven't made yet, know that that's a dangerous process. So I appreciate our treasurer making the estimates for our sales tax more conservative, and that we are setting aside more money so that in the event that sales taxes do

decline, we are not getting into the general fund to pay back our debt service. So I want to give big thanks to that. And of course, the preserve was an expensive proposition all along.

As far as the needs of the preserve, I would recommend that my council colleagues go back and rewatch the January work study session. So what I would recommend on this page to the mayor's point of keeping on this, is that I would agree with Councilwoman Milhaven. We want to include public safety.

We do not want to give a group of nine citizens without expertise a blank catalog. We know and our staff knows what the real needs are. And the priorities of those needs. So as the mayor alluded to, invasive species threatened the very existence of Saguaro cactus in the Sonoran Desert.

[Time: 00:49:40]

The cost of eradicating invasive species is millions and millions of dollars every year and it's not -- so it's not a cheap proposition. Number two, we have a -- the citizens, the volunteers approved two tax hikes to acquire land in a preserve boundary that the council approved. A study boundary. We're not done yet. And if the voters want to say we are done, that's fine.

It's not a majority of this council that decides that we are done buying land. It's the taxpayers. And Councilwoman Littlefield mentioned that. There's people on the conservancy who are in the process of acquiring and preserving this land that recognize and have outwardly spoken about the fact that there are key parcels in the study boundary that we have not yet protected and if they're not protected, their development will threaten the viability of our preserve and staff is working with former preserve commissioners and others to use the existing dollars as the voters voted for -- to use existing tax dollars to acquire a couple key acres that if acquired, not only make our preserve healthier and more viable, but will save us in maintenance because we are not creating damage in an area that right now is fairly difficult to get to.

So it's -- you know, it's penny wise pound foolish if we allow these acres to be gobbled up by development and then we are stuck forever more trying to undo damage. So I think what we need to do is as Councilwoman Littlefield said, we need to little the other needs and Councilwoman Milhaven to things that actually pertain to the preserve, the green belt, the parks and to the maintenance and the perpetual -- and the protection and the education, but we could not just give them a blank -- not give these citizens a blank catalog, so we would give, perhaps the other city needs -- I think it's covered, but it should be public safety, whether that be P.D. and definitely, definitely if we want to protect this preserve, we need to fund some fire programs. They are not expensive. It's just an investment in our \$2 billion preserve.

So I would say that we plan to limit the -- remove other city needs because that could be anything, baby-sitting service, after-school program. We want to limit it to public safety and that's what actually Councilwoman Milhaven pointed out. And then I would be good. And one more thing, as far as the money goes, nobody up here has qualified to say how much money we

need but that is -- if we give staff direction, they can come back to us and say invasive programs will cost us approximately this much and then we can start getting into the money, but today we don't have the data, right now that, we need to say if we have enough money.

Mayor Ortega: Thank you, generally, again, looking at the slide, I'm hearing that we're generally agreeing to delete other city needs in item 1 and 2 as shown. Councilman Durham, are you agreeing with that decision? Did you have something else to add? I want to -- we will hit the money discussion, I promise you!

[Time: 00:53:32]

Councilmember Durham: This goes to the money discussion. I think we are getting way ahead of ourselves when we start talking about the money. That's the job of this commission. This commission will talk to a lot of people, and they will -- at the end of it, and they will say, okay, we need x dollars a year for the following issues, including possible additional land purchases. But that's their job. And that's why we're forming this group and so for us to talk about how much it's going to cost us is kind of a waste of time, I think.

Mayor Ortega: Counselor thank you, Councilwoman Janik.

Councilmember Janik: We've had a lot of discussion. I think we need to bring it together now to make some decisions. We're looking at that slide, actually number the pages. It's page 11. I think Councilwoman Milhaven made a valid point and then I think it's been refined and that's the one point that we all agree on. Well, let's see if we agree on it other city needs related to the preserve. No?

Mayor Ortega: No, just -- I believe the consensus is delete other city needs. Do we have a consensus on that? Everything should be related to item number one and item number two. Other city needs is too nebulous, in my opinion. Now we can get a consensus.

Councilmember Janik: Okay.

Mayor Ortega: If someone wants to include other city needs but I think we have a consensus to delete that.

Councilmember Janik: Okay. Let's make it clearer for everybody so you can keep track. Let's say everything on the objective for citizen group but delete other city needs. Would is in favor of that. Nod. Okay. So five. So we're okay with that one.

[Time: 00:55:25]

Mayor Ortega: Thank you. We'll go to the next slide. And the discussion could be again, we're confining or topic. We're not dealing with interest rates and all of these other accumulations. And so the application process will require a resolution, that's passed by the council, or

presented with certain directives.

And we believe there are two meetings in December, if that -- if that application process and the resolution process succeeds, then there may be an opportunity to appoint with this council if for some reason it slips it would be the next council. I'm just telling it like it is. And so -- but the -- that's just the general calendar of events.

We do feel that -- excuse me, I'm just closing with my statement is that I do believe that time is of the essence for a thorough discussion. The advisory task force, of course, goes through all of the outreach we will do a thorough job of that and we will go -- but that's after we have a resolution which is approved by us.

So that's how thoughtful our job is as we move forward and we have positive expectations. You know, frankly the -- and I will close with this one subject. The reason there is surplus money projected is only because of declining interest rates. There was never enough money to buy the entire boundary. We knew that over 20 years ago. We knew that. So the attempt is had heroic. We have had this discussion as a work study saying, we are fortunate we may have 30 or \$70 million to work with. But that's it.

And now we are moving forward in a positive way. I think the questions have been answered. I think there was a little sidetrack about whether or not the disposition of other funds which will come through the remaining funds frankly has nothing to do with the needs that we need to explore. The mission of exploring that. And? This case, the topic, is I guess I should ask for it, that direction will be that there will be consideration of the -- up to .2 is what was posted.

That doesn't mean that we are promoting it or not. We don't actually know what the costs will be. I don't think we should say that we are voting to continue any tax. We're only agendized to look at the fair exploration and goodwill of our community to arrive at something because you know what, it's a major destination for our city that people appreciate. We have 12 trail heads that we have to go somewhere, and we will certainly protect it. Councilwoman Whitehead, any closing remarks.

Councilmember Whitehead: I want to protect my December. Can we bump it to September or October?

Mayor Ortega: You know, I think again, please --

Councilmember Whitehead: I want to see if there's support for that.

Mayor Ortega: I think if you are asking if the resolution -- I believe them come back with a staff report with more detail, perhaps to see what's on the calendar.

Councilmember Whitehead: I just wanted to see if there's support -- it seemed from the staff

perspective, it seems like you are fine bumping up the time frame and I just thought if there's support for that, I would rather select the citizens group in November versus December. If there's support for, that because December is a very busy month.

[Time: 00:59:58]

Mayor Ortega: Thank you. I think the open discussion that I understood was we would actually be passing a resolution in September that would cover the commission itself. You can't have an application until you have a resolution to create those positions.

That's -- that's what I'm trying to point out. This is showing the application process. You can't have an application until you have a resolution that creates the task force. So I'm hopeful, yes, that we would get the resolution done. Remember, we're on break.

We only have a meeting and then leading if we can do it the first meeting in -- or the second meeting in September, get it all resolved, that would be great.

Councilmember Whitehead: So am I hearing if we get it early -- if we get the resolution early, we can move the forward early. The schedule is just sort of a worst case scenario is that what I'm hearing?

Mayor Ortega: Yes.

City Treasurer Andrews: Mayor, Councilmember Whitehead, how about we as staff work on a schedule and timeline because this is an advisory task force. The task force has to be formed by council resolution and we need to provide some time for that and some time for outreach to receive applications. To let us work on a timeline to see if we can move that process forward and if we can hit a November resolution timeline and women bring that back to council.

Councilmember Whitehead: Thank you, Mayor. Thank you, Sonia.

City Treasurer Andrews: Mayor, council, I also want to make sure that we have consensus on the mission. Can you please move being back to the slide on the mission. I want to make sure that we have consensus on that as well.

Mayor Ortega: Right. We had not covered that slide or skipped it. That's a question -- the wore we place obviously, the .2 of a percent is the subject of whether or not future a new -- a new -- a new proposition would come forward. I'm in agreement that that should be part of the consideration as you look at finance costs and the needs.

Ultimately, the council will decide on what measure comes forward. It may be .1, it may be 1.5. So I believe in my opinion that of course, the funding should be part of the consideration, weighs costs, providing that information as an advisory to us, and that is a useful mission for the group. Councilwoman Littlefield, and then city manager.

Councilmember Littlefield: I don't think we can answer those questions at this point. Do we replace the .2% tax, we don't know yet. I think those are some of the considerations for the task force to be studying and what the costs would be and what we will be including, what they are not and I think that at this point in time, those are decisions that are going to be made into the future as we get more and more details and more and more specificity.

[Time: 01:03:36]

City Treasurer Andrews: Mayor and Councilmember Littlefield, these are not questions for you to answer. This is the mission for the group. So we're looking for consensus whether you want the group, the task force to answer these questions.

Councilmember Littlefield: I think they need to answer funding, but I'm not sure it's a .2% tax. I think that's too specific.

Mayor Ortega: And let me just clarify again with city manager because I was trying to clarify. We don't know the answers right now on the funding. It's going to take -- now if we empower this advisory, they are actually empowered to come up with suggestions that are educated recommendations. City manager, could you clarify that for me.

City Mgr. Thompson: Yes, Mr. Mayor, members of council, yes, I will clarify on all three. I think we already covered these. So generically, we will have the group look at these, but should we replace the tax, it's a question of up to or if we even should. So it's a question that that group should look at.

There may be where we don't replace that. We decide not to and we look at other venues, that may be even utilization that came up this evening or the existing tax or revenue associated with both to be used for purposes to -- for maintenance but that's something that the group and entire community should discuss I think we had a few listed there, it may be the maintenance of the preserve or green belt, definitely we hear that a lot. The needs associated with Indian bend wash, but there are other things that are at the forefront of everybody's mind.

We have growing costs and we don't know where we are at. I think we need to be cautious not to shut the door on any other potential discussion. I think we need to leave that. We talk about the police services and the preserve and other things. So, again, the purpose that we narrowed it down.

I think once they engage everybody, it will really define itself and define those numbers. I don't think in any case would we ask to go higher than the .2. So that's existent but it's a good decision. And the last one, what should council ask the voters to authorize. Such what you desire for them to come back and tell you, if anything and so, again, it doesn't need to be answered tonight. I think we're done with this slide is where I was going with all of that, but thank you, Mr. Mayor.

[Time: 01:06:23]

Mayor Ortega: Okay. Councilmember Durham. I think we have agreed that's what the task force is limited to.

Mayor Ortega: Very good. At this point, I see no more hands on the subject. And going once, going twice. May I have a motion to adjourn? Moved and seconded. Please register your vote. Thank you. Unanimous. Good night, everyone. Thank you.