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CALL TO ORDER

[Time: 00:00:03]

Mayor Lane: Good afternoon, everyone. It's nice to have you here with us for our Regular Meeting of October 7th, 2014. We'll start with a call to order of this meeting. We will start with a Roll Call, please.

City Clerk Carolyn Jagger: Mayor Jim Lane.

Mayor Lane: Present.

Carolyn Jagger: Vice Mayor Guy Phillips.

Vice Mayor Phillips: Here.

Carolyn Jagger: Councilmembers Suzanne Klapp.

Councilwoman Klapp: Here.

Carolyn Jagger: Virginia Korte.

Councilmember Korte: Here.

Carolyn Jagger: Bob Littlefield.

Councilman Littlefield: Here.

Carolyn Jagger: Linda Milhaven.

Councilwoman Milhaven: Here.

Carolyn Jagger: Dennis Robbins.

Councilman Robbins: Here.

Carolyn Jagger: City Manager Fritz Behring.

Fritz Behring: Here.

Carolyn Jagger: City Attorney Bruce Washburn.

Bruce Washburn: Here.

Carolyn Jagger: City Treasurer Jeff Nichols.

Jeff Nichols: Here.

Carolyn Jagger: City Auditor Sharron Walker.

Sharron Walker: Here.

Carolyn Jagger: And the Clerk is present.

[Time: 00:00:36]

Mayor Lane: Thank you very much. A couple of orders of business. We do have cards if you would like to speak on any of the items on the agenda, or for public comment, the white cards that the City Clerk is holding up over her head to my right over here. And if you would like to give us some written comments, that's the yellow card that you can complete and we will read them through the course of the proceedings tonight. We do have Scottsdale police officers Dave Pubins and Jason Glenn and our chief up there as well. What is the official designation? Assistant or Deputy? They are there for your convenience if you need assistance. The area behind the Council dais are for Council and staff. We do have restrooms over here to my left for your convenience.

PLEDGE OF ALLEGIANCE

[Time: 00:01:30]

Mayor Lane: Today, we welcome the Boy Scout Troop 916 with their Scout Master John Parks to lead us in the pledge. Gentlemen, if you could come to the microphone, please, and if you can stand, please do for the pledge. Whenever you are ready.

Boy Scout Troop 916: I pledge allegiance to the flag of the United States of the America, and to the republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

Mayor Lane: Thank you, gentlemen. If you want to turn the microphone around and face the audience and then just introduce yourself. Tell us the school that you go to and whatever your favorite subject is. It looks like by default, you are first.

Troop 916: My name is Cole Cedars. I go to Explorer and my favorite subject is engineering. Hello, I'm Christian Kerber. I go to Deer Valley Middle and my favorite subject is language arts. Hello, my name is Tyler Roblard and I go to Annunciation and my favorite subject is social studies. My name is Jace Martin and I go to P.V. High School, and my favorite subject is math. Hello. My name is Ben Stall and I go to Cactus View Elementary and my favorite subject is science. My name is Jeff Farks. I go to South Mountain High School and my favorite subject is digital arts. My name is Jose Vallejo and I go to North Canyon High School and my favorite subject is science. Hello. My name is Lee Stall. I go to North Canyon High School and my favorite subject is science as well.

Mayor Lane: Thank you very much, gentlemen. Just an additional sad note, today we learned the untimely passing of our Fire Captain, Eddie Loggins. We would like to send our thoughts and prayers to his family, friends and colleagues during this very sad time.

INVOCATION

[Time: 00:04:05]

Mayor Lane: Now we would welcome Father Edward Reese from Brophy Preparatory Academy to provide us with an invocation this evening. Father?

[Time: 00:04:30]

Father Reese: Lord of all things, we gather together as citizens of your beautiful planet, to share, connect, solve, dream, and most of all give thanks. Thank you, lord, for the ability you gave us to think to wonder, and imagine all the solutions for the problems we seem so good at creating as humans. Thank you for the honor of living in a democracy and enjoying the freedoms of our great country, and our city. Thank you for the generations who came before us, who laid a pathway of positive governance, a path of hope, and integrity. And thank you for our current leadership, for their energy, dedication and devotion, and fair and just government. Bless them, and all they govern. Give them the strength for the challenges and a sense of humor for the challenges. In Your name, amen.

Mayor Lane: Amen. Thank you very much, Father.

MAYOR'S REPORT

[Time: 00:05:53]

Mayor Lane: I have a couple of things on my report for this evening, and I will start with this month

Scottsdale, at the encouragement of the Maricopa County Association of Governments and Councilwoman Suzanne Klapp, shines a light on a dark subject, and one that was in the news late in a very open way. In hopes that with community awareness, we can work together to eliminate domestic violence, and I'm proclaiming October domestic violence awareness month. The proclamation on that reads as follows.

The proclamation of domestic violence is a serious crime that affects all races, gender and income levels. And domestic violence is wide spread and affects over 4 million Americans each year. Whereas one in three Americans have witnessed an incident of domestic violence and whereas children that grow up in violent homes are believed to be abused, and neglected, at a rate higher than the national average. Whereas domestic violence cost the nation billions of dollars annually in medical expenses, police and court costs, shelter, foster care, sick leave, absenteeism and non-productivity and whereas only a coordinated community effort will put a stop to this heinous crime, and whereas domestic violence awareness month provides an excellent opportunity for citizens to learn more about preventing domestic violence and to show support for the numerous organizations and individuals who provide critical advocacy, services, and assistance to victims. And whereas the City of Scottsdale supports the regional effort to eradicate domestic violence through our partnership with the Maricopa County Association of Governments. Now, therefore, I Jim Lane, Mayor of the City of Scottsdale do hereby proclaim this month, October 2014 as Domestic Violence Awareness Month.

We have that on there. It's one of those proclamations that you certainly wish that it has the desired effect of raising awareness and certainly all of our consciousness about that particular dilemma.

On a much different note, and in keeping with tradition. Scottsdale creates and celebrates McDowell Sonoran Preserve month in October. So we do have a proclamation for that, and this is an annual event, but it keeps this in mind as well and maybe on a bit of a more positive note.

The proclamation reads whereas the citizens of Scottsdale have consistently and strongly expressed that the preservation of the McDowell Mountains and the surrounding Sonoran desert is a high priority and Scottsdale's most valuable resource is over 30,000 acres of protected as natural, open space, and whereas the citizens of Scottsdale established the McDowell Sonoran Conservancy, a nonprofit, volunteer-based organization to partner with the City to steward this community asset and whereas it's the desire of the City of Scottsdale to recognize the role of the City Council appointed McDowell and Sonoran Preserve Commission to make recommendations on the City Council Preserve-related issues and it's the desire of the City Council to celebrate this resource and the achievements, in creating, enhancing and stewarding it on this the 20th anniversary of Preserve's establishment. Therefore, I Jim Lane, Mayor of the City of the Scottsdale do hereby proclaim the month of October, 2014 as Scottsdale McDowell Sonoran Preserve month and urge all of our citizens to join me in celebrating the beauty of this community treasure. So in that tradition, 20 years in the making. We celebrate that as well.

And finally, tonight, Kelly Corsette, our Director of Communications would like to report, put together by the City Manager's office, give us a report on that. Thank you very much. Kelly?

Communications and Public Affairs Director Kelly Corsette: Mr. Mayor, members of the City Council, I will be very brief. It's my pleasure to present to you and to the public tonight the City's 2013/14 Annual Report which is a brief document that describes last year's achievements, this year's priorities and provides insight into the City's finances and key metrics. The report is available online, on both the budget and finance and the about Scottsdale pages at Scottsdaleaz.gov and we also have copies here at City Hall.

In fact, there's some on the back counter for those who are interested. This report is short. Maybe much shorter than annual reports we are used to seeing. It's been prepared per standards published by the Association of Government Accountants, and has received the coveted A.G.A. seal of approval. There are also several companion pieces to this document. We created a four-page community profile, leadership overview featuring the Mayor and the City Council and some of the folks seated at the staff table here. And we created a demographic and employee and facility information piece as well. These documents combined to create 16 pages of easy to read, easy to understand information that is at the front of the City's budget book each year.

And this year we have also created PowerPoint versions of these and we are encouraging staff that are going into the community to use these publications and the graphics that you will find there in various community presentations. So it's another effort that we are undertaking to try to make City government a little more understandable and transparent to our citizens.

Kelly Corsette: Thank you very much, Mayor.

Mayor Lane: Thank you very much, Mr. Corsette.

PUBLIC COMMENT

[Time: 00:11:57]

Mayor Lane: Next order of business is our Public Comment period and this public comment is reserved to citizens comments, regarding non-agendized items with no official Council action taken on these items. Speakers are limited to three minutes each for a maximum of five speakers. We have one speaker tonight. There's another opportunity at the end of the session if there's additional need for Public Comment. And we'll start and the singular card we have tonight is Mike Aloisi.

[Time: 00:12:45]

Mike Aloisi: Law enforcement officers who are here tonight who protect, and serve and defend our city and country. Mayor, City Councilmembers, also you young men who will grow up to hopefully be something real special and also our voters. I would like to take this opportunity to welcome back our City Manager, who has been gone a while. If you don't know who he is, he's the gentlemen to my left, two seats in. I'm sure we all recognize that things didn't quite roll as smoothly as they should have with his absence. I think we all would appreciate his coming back. Now, here's my position again on law enforcement. I'm going to be briefer than usual tonight. We spent \$15 million on a situation that I feel can come back to the City and our state. And with those funds, the police can get their 10% across the board raise for the next three years. I know that the Chief is not here tonight,

but I think he would like that too. Of course, he's not getting the 10%. He's already paid enough. You can laugh at that. My final comments are with respect to something I will be discussing later, which is a theme park for the area. I have to go through channels. 100-acre theme park, which will be announced, through our intent to build here within the next week, two weeks or so. So I thank you, again, for your time and above all, we've got the grease that that spins the wheel back here tonight.

Mayor Lane: Thank you, Mr. Aloisi. That completes the Public Comment for this evening.

MINUTES

[Time: 00:15:17]

Mayor Lane: I'm going to go ahead and request approval of the Minutes. We have the Minutes, we've had the Minutes in front of us for our consideration for adds or deletes or otherwise. I have no comments or any adjustments to that. I would ask for a motion to approve the Special Meeting Minutes and Regular Meeting Minutes of September 9th. I know this is a tough one.

Councilman Robbins: Move to approve the Minutes, Mayor.

Councilwoman Klapp: Second.

Mayor Lane: A motion to approve and seconded. I think we are ready then to vote. All those in favor, please indicate by aye and those opposed with a nay. Minutes have been approved unanimously.

CONSENT AGENDA

[Time: 00:16:01]

Mayor Lane: We will move on to our next item which is our Consent Agenda. And we have some adjustments made to the agenda.

Clerk Jagger: Your Honor. Excuse me, we have item 1A.

Mayor Lane: Item 1A?

Clerk Jagger: A1, I'm sorry.

Mayor Lane: I'm sorry. Yeah, I did see that Ms. Jagger but the fact is that we are not going to vote on that because we are going to remove it.

Clerk Jagger: That's a very good point, Your Honor and so I think we can avoid that. Thank you.

Mayor Lane: Thank you. So moving on then, past item A1, and we'll be addressing the Consent Items 1 through 16a, and there has been a request by staff to remove 16a, and item 14. So they will

be removed from the Consent Agenda entirely.

Vice Mayor Phillips: And then 15?

Mayor Lane: I should just, I know you are anxious about this Councilman or Vice Mayor. In any case and there's been a request by the Vice Mayor to have Consent item 15 removed for a separate vote. So what I would ask for then, unless there are any comments, and I do have a card to speak on some of these. I have a request to speak on item 8. And item 8 is Maya Day and Nightclub Outdoor Licensing Agreement. Of course this is a request to adopt Resolution Number 9891 authorizing Outdoor Dining License Agreement 2014-153-COS with Equity Partner Group for an outdoor dining patio on City right-of-way. And this is located at 7333 East Indian Plaza. So the request to speak on this is David N. Smith.

[Time: 00:18:51]

David Smith: Mr. Mayor, members of Council, thank you for giving me the opportunity to talk, if I can talk. I'm here to talk about this item to urge you to pull it off and have a discussion of it for the listening public, this is granting some public property which is the sidewalk in front of the a business establishment and granting that property to this business for outdoor dining it's called at a very modest rent. The Maya Day and Nightclub, and for that matter, the Scottsdale Beach Club, I think all of you know, although it's characterized in the paperwork that they are a restaurant, I think they are more properly a bar. That's the license they operate under. The history of this, as you may recall, in April, there was a motion to actually grant to this bar establishment, some public property, some parking areas so they could expand their establishment. That was a motion by then Councilman Borowsky and Robbins. We gave them that property and they did expand. A few months later, on Borowsky and Milhaven, they were granted a bar license and then the Maya Day and Nightclub was also granted on Consent Agenda. A series 6 bar license and a conditional use permit to operate as a bar.

Now, in spite of their characterizations and their license, this entire package that deals with the granting of sidewalk usage goes to great pains to describe them as a restaurant, and, in fact, doesn't even follow the state's definition of what the difference is between a class 6 bar and a class 12 restaurant. Basically that 40% of your revenues have to come from food service, but in this case, we redefined what a restaurant is going to be, so that we can, in a sense, bring this group in and call them a restaurant and grant them for a very modest fee the sidewalk in front of their establishment. I think the problems with this, other than it seems to be a little offensive calling them a restaurant if they are not really a restaurant, but in the recitals that you are going to sign in the resolution, you talk about how you are trying to promote significant economic tourism and cultural amenities. That's awfully hard to see that this is anything about cultural. You talk about promoting our heritage. This is a bar. It's not our heritage. And, of course, you talk about integrating the restaurant operation on a restaurant parcel. It's not a restaurant parcel. You folks have already decided that. I think the recitals talk about what you are going to be getting for this public property that you are giving them, and just by way of information, it's a little less than 2 cents per square foot per day. And I don't know how you have actually figured out that that's the fair market value, but for all of these reasons, I would urge you to pull this item and have a robust discussion. Thank you very much.

Mayor Lane: Thank you, Mr. Smith. All right. So that's the extent of comments that are on the Consent Agenda items, but we do have a request, as I was starting to say before for pulling item 15 for a separate vote and, again, just so that's clear. And that is the City of Scottsdale vs. the State of Arizona appeal and this is a request to adopt Resolution number 9910 authorizing the City Attorney to appeal to the Arizona Court of Appeals any judgment and/or other action taken by the court in the City of Scottsdale vs. State of Arizona Case CV2014-003467 currently pending in Maricopa County Superior Court and to seek review before the Arizona Supreme Court of any adverse ruling received upon such appeal. So that is a separate item and I know the Vice Mayor did ask to have this pulled. Would you like to make any comment on that? Vice Mayor?

Vice Mayor Phillips: No, I would like to have it pulled for a separate vote.

Mayor Lane: Unless there's any other comment, and seeing none from the public. I think we are ready to vote.

[Time: 00:23:25]

Councilman Robbins: I will make a motion that we approve items 1 through 16, pulling 15. That was the only one?

Mayor Lane: 14, 15 and 16a.

Councilman Robbins: 16a we never added to the agenda, so I move that Council approve 1 through 16 without 14 and 15.

Councilwoman Milhaven: Second.

Mayor Lane: The motion has been made and, you know, let me just go for a little bit of clarification from the City Clerk and since we did not approve it on to the agenda, even though it did appear in the final version of the agenda, do we need to include it in the removal of from the Consent Agenda, 16a now?

City Clerk Carolyn Jagger: Mayor, we can make the motion work exactly as it was made and I think we are good.

Mayor Lane: Okay.

Clerk Jagger: You are correct. It did not make it on and we will not include it.

Mayor Lane: Okay. Very good. All right. Thank you. So the motion has been made and seconded. All of those in favor of the Consent items as has been described, please register your vote. Aye. It's unanimous then. On those items that remain.

Councilman Robbins: I will make a motion that we adopt item number 15, Resolution 9910.

Mayor Lane: The motion has been made on item 15.

Councilwoman Milhaven: Second.

Mayor Lane: And seconded by Councilwoman Milhaven. Seeing that there's no further comment on that item, that's item 15, taking a separate vote on Consent, from the Consent listing. We are ready to vote on that separately. All those in favor, please indicate by aye. Those opposed with a nay. The motion passes 6-1 with Vice Mayor Phillips opposing. Thank you. That completes those Consent items. We will process through.

REGULAR AGENDA

[Time: 00:25:23]

Mayor Lane: And then we move on to the Regular Agenda items 17 through 19. If you are here for those Consent items, you can certainly stay and enjoy the rest of the evening with us, or you can leave at this time.

ITEM 17 – NATIONAL LEAGUE OF CITIES ANNUAL MEMBERSHIP DUES

[Time: 00:25:41]

Mayor Lane: Item 17 is the National League of Cities Annual Membership Dues request and we have Brad Lundahl here who is our Government Relations Director.

Government Relations Director Brad Lundahl: Good evening Mayor and the Council. I'm here tonight for the National League of Cities. I do have a couple of requests for you tonight, but before we get to that, I just want to give a little bit of background. I know most of you are very familiar with the National League of Cities but for members of audience and those at home, just a little refresher here.

N.L.C. is a national organization that represents cities and towns from around the country. It's approximately 1600 dues paying members at this time. Membership privileges are extended to those elected officials and staff from the cities who are members. Nonmembers, this is kind of the key distinction to members and nonmembers. Non-members may attend the conferences and seminars but they cannot be part of the structure, the leadership or on the policy committees. They do provide a networking forum for our elected. They also provide leadership and training seminars throughout the year throughout different conferences. They advocate for cities and towns in Washington it can.

The dues have stayed amazingly static over the last several years. I think the last time there was a change was back in 2008. So the dues are currently \$12,468. So I mentioned there would be a couple of items for you to consider tonight. At this time, the dues for the National League of Cities is not in the City's budget. So we would need to add funds back into that, if the City Council does decide they want to be, or continue being members of the National League of Cities. Right now our membership is kind of hanging out there in limbo, awaiting action by the Council here tonight. The first action would be whether you want to be members and I would request a vote by the Council to

show that. And then depending on that vote, we'll get to the next item.

Mayor Lane: And that's fine. Thank you, Brad. Yes. So first order of business is if there's any discussion as to whether or not currently we do not have in the budget the NLC budget dues, some 12,000 plus dollars. Of course, inclusive of other costs that we have in attending those meetings. It has been something we have discussed in the past, as to whether or not to continue some of these organizational meetings and so we are here tonight to discuss the pros and the cons of it.

I don't happen necessarily to be a major advocate of the NLC and our membership because I found that we have had less than real attendance from most of the, this body, you should say of the Council. But at the same time, I certainly would defer to my Council colleagues as to whether or not they would like to continue this membership and as has been advertised, and the services, it allows us to participate on the full level. We can always attend the meetings but not as a member. There are other areas of things that we would not be able to, members of Council would not be able to participate in. With that, I will start with Councilwoman Klapp.

Councilwoman Klapp: I would like to see more Councilmembers attend some of the meetings. There's several of us who have attended a number of the meetings. I typically attend and I find value in them. There's topics that are very relevant for today, for city governance. There's subcommittee means or committees that I belong to and Councilwoman Korte belongs to. There's usually great substance in those meetings. I think it's always great as any trade organization will offer, to be able to associate with people who do the same thing that we do. I don't think \$12,000 to belong to this is any excessive amount of money for the City the size of Scottsdale. We've belonged to it for I think it's 52 years. And it would be incredible if the City of Scottsdale opted not to belong when all the other cities in the valley do belong. I think for all of those reasons that it would make sense to me that we would continue to be a member of NLC and I would like to make a motion that effect.

Mayor Lane: Thank you, Councilwoman.

Councilwoman Milhaver: Second.

Mayor Lane: Would the second like to speak to it. The motion has been made, unless there's any further comment, then we have, we are ready then to vote. The motion has been made to maintain our membership in the National League of Cities. All those in favor, please indicate by aye. Those opposed with a nay. The motion passes 5-2 with myself and Councilman Littlefield opposing. So that takes us to the next item, which Brad, if you want to go ahead and outline what we need to do to set this.

[Time: 00:25:52]

Brad Lundahl: Yes thank you, Mayor. So we have prepared a resolution, and basically what the resolution will do is authorize the City Manager to find the money, either from unobligated funds or from current savings and find that \$12,000 and make payments or dues to the National League of Cities this year.

Mayor Lane: Are there options there on two, the a, b, and c? Is there a selection here or are these

a series of events?

Brad Lundahl: It's a series of events.

Mayor Lane: Very good.

Brad Lundahl: For the resolution.

Mayor Lane: So the second portion of this particular item is item 2, for that Resolution, 9839. Do I have a motion? Councilwoman Klapp?

Councilwoman Klapp: I make a motion that we adopt Resolution number 9839.

Councilmember Korte: Second.

Mayor Lane: A motion has been made and seconded by Councilwoman Klapp made the motion and, of course, Councilwoman Korte made the second. Seeing that there's no further comment on this item. I think we are then ready to vote. All of those in favor, please indicate with an aye. Those opposed with a nay. Motion passes 6-1. So that takes care of Item 17.

ITEM 18 – SCOTTSDALE MUSEUM OF THE WEST DEBT SERVICE FUND TRANSFER AND TONY NELSSSEN EQUESTRIAN CENTER CAPITAL BUDGET ADJUSTMENT

[Time: 00:32:45]

Mayor Lane: We move right on to Item 18, which is, thank you, Brad. Sorry about that. That takes us on to Scottsdale Museum of the West Debt Service Fund Transfer and Tony Nelssen Equestrian Center capital budget adjustment. And we have Mr. Nichols, our City Treasurer who will be addressing this issue.

City Treasurer Jeff Nichols: Thank you, Mayor and Council. Tonight I'm requesting this action. I had some questions today and I thought it through in my mind. The bottom line is we built the Tony Nelssen Equestrian Center. We had events there and now we need to fund that. All of the costs have been incurred, and here's what we did to date. This is in '14/15 capital plan. We have projected selling \$43 million and \$50,000 in MPC debt. It's part of the funding of that complex. To date, we have issued fairly close to \$42 million and we're left with \$1,115,000 in funding that is needed for that project, dollars that are needed to fund the costs that have already been incurred.

Earlier in the spring, I came forward and made a request related to the Scottsdale Museum of the West and the Tournament Players Club. And if you recall, what I had requested was to use some of the bed tax carryover funding to keep the debt service payments and those two projects equal to the revenue sources that we were going to have coming in, and, again, so that no General Fund dollars would be spent on those projects, and for the Scottsdale Museum of the West, we have \$900,000 from the slice of a pie and a half from the tourism capital project fund source, and for the Tournament Players Club, we have the same thing, but we also have revenue, the increased revenue from the Tournament Players Club itself, when we negotiated the new contract, and building these

improvements.

So using some of the carryover funding for those two projects allowed significant project savings overall, basically the interest from not issuing debt for those projects. We're projecting by taking this action tonight, the one part of it, funding the Tony Nelssen Equestrian Center, the balance of the \$1,115,000 of funding that is needed, that we will save \$600,000 over the life of the debt. If I could go to the ,so to start, financial policy 21a that you have all adopted, the distribution, if you will, of the 5% bed tax. And what I want to point your attention to, is the very last bullet there in the middle where it says the balance for tourism-related capital projects in the form of one-time commitments or multiyear annual commitments not to exceed \$600,000 per project. We have done that with the Tony Nelssen Equestrian Center but then it goes on to say at the end of each fiscal year, any unused fund for tourism development will be available for use in the following years for any of the nonmarketing tourism categories. And may be allocated without limitations except that they may not be leveraged for multiyear annual commitments.

This is exactly what I'm asking you to do tonight, to authorize \$1,115,000 of tourism carryover funds to the Tony Nelssen Equestrian Center to complete the funding for that project. And so it is in your adopted financial policies. The other financial policy that I'm asking, that I'm talking about with Scottsdale Museum of the West is financial policy 37, which states that a debt service for all currently outstanding 1% privileged tax supported debt to be temporarily used for unforeseen emergencies or catastrophic impacts to the City. I need to let you all know, we are coming forward in November with updates to the financial policies and this is one of the policies we will be looking at and making a recommendation on and that's because we received advice from bond counsel, Gus Rosenfeld and he's recommending that no more than 1/12th be set aside in the municipal property corporation fund and that's because of an I.R.S. regulation concerning arbitrage. So what I'm being told by our bond counsel, we may be in violation of that, if we move forward and we do what we currently say we will do as far as setting aside any annual debt service amount. So I will bring that forward in November for your consideration with other changes that may be made.

The Scottsdale Museum of the West, you directed staff to transfer \$900,000 from the bed tax carryover funds to the debt service fund. I'm requesting the first portion that you direct staff not to do that, along with this action. That we not move those funds over there. I will come in with an alternative, along the lines of a consideration of an excise tax stabilization fund. Basically taking a certain amount of money and setting aside in the General Fund, not in the debt service fund, but if, in fact, these revenue sources fund went down in the future, we could use that fund to make sure that we make the debt service payments during that time. The history of the TNEC funding. If the action you take tonight is to not recommend the use of those bed tax carryover funds, we will be back here on October 21st with the recommendation to sell debt of \$1,115,000 to fund the last portion of the TNEC per the '14/15 capital improvement plan that was adopted in June. The source the debt service payments, this has been another thing that I have heard from people, that there's so much of a commitment from the special revenue fund for tourism development.

Personally, I think this project is a great example of where monies like this should have been spent. I don't think anyone would argue that the TNEC doesn't draw tourists to the area. I'm sure Barrett Jackson has some figures on increases in hotels and people that come from out of state. We have our Arabian horse show there. We have the quarter horse show there and we are starting to have a

lot more events that I think are putting heads in beds and that was the purpose of the capital project fund in relation to this, these monies. So as you can see, it's about evenly split. It's not like the General Fund is contributing quite a lot of money to this project and as a matter of fact, this doesn't even include the General Fund dollars that go towards the operation and the maintenance of the TNEC. So there are additional funds that come from the General Fund related to that project out there. And then you see the contributions which I have never seen anything like this, and we actually have the one for Barrett-Jackson and we are working out the other two contracts and I fully expect payments from those entities when we finally ink those deals.

[Time: 00:40:49]

So my request to the Tourism Development Commission on September 16th, was that they forward a positive recommendation to the City Council, to use \$1,115,000 of the unused carryover funds for tourism development to fund the balance of the TNEC capital improvement. They took action at that time, and they voted unanimously not to forward a favorable recommendation to you all. So I just wanted you to have that information as well. My recommendation, however, has not changed in light of that. I still think that this is a good use of those dollars. I still think overall, it saves the City \$600,000, and from where I stand as the City Treasurer, whether that money comes from the General Fund or the special revenue funds, I'm all about saving the money and not issuing the debt for this project as we move forward. So with that, I would be happy to take any questions you may have.

Mayor Lane: Thank you, Mr. Nichols. If you might hold on for a little bit, we have a couple of requests to speak from the public and when we get back to that, I'm sure we'll have additional conversation. We do have two requests to speak on this subject. We start with David N. Smith and Sonnie Kirtley, and then Sonnie Kirtley.

[Time: 00:42:23]

David Smith: Mr. Mayor, members of Council, well, I hope I will be more persuasive this time. This project is bothersome or this request is bothersome, because first of all, it is arising because we have identified a loophole in financial Policy Number 37, which is the one that says we should be setting aside the service reserves when we are issuing debt. The reason we do, that of course, is so that people who buy this debt have some reassurance that we are going to be able to service the debt, good times and bad, and it's also a collection of these financial policies and adherence to them that makes rating agencies comfortable with giving us our coveted AAA rating.

When we find a loophole in the policy as this is, we just didn't happen to cover debt issued and secured by bed tax revenues, when we find a loophole, it's not an occasion for celebration. It's an occasion to fix the loophole. The other thing, though, that's probably even more troubling is using bed tax money and construing financial policy 21a to essentially allow a bailout of the General Fund. And that's what it is. The project is built. This million dollars, whoever spends it, is not going to create any more bed nights in the tourist community, not going to create any more events. The project is done. And now we are just figuring out who pays for it. And it was clear who was going to pay for it. The bed tax folks made their commitment, a very large commitment, as was indicated on the screen. Only reason the General Fund is short is for a variety of reasons that were misportrayed in the original project. It's short because the project not only spent all of their

contingency money but they overran their capital budget by 20% and it's short because they promised you, they would send the tent for \$1 million, which they didn't do.

And it's short because we haven't yet got the money from the other show sponsors. It's short for all kinds of reasons, but none of them have anything to do with the tourism fund. The tourism money, even the carryover money is to be spent for tourism projects. This is not being spent on a project. It's simply being spent to avoid issuing \$1,115,000 in debt that otherwise would be issued in the General Fund. It's a very bad precedent. It's a bad precedent to use tourism funds to bail out the General Fund. I don't care how great the need is and it's also a bad precedent to pretend that these are going to create tourism dollars for us, because they are not. Nothing new is being built. We are just talking about how we are going to finance it. This carryover balance in the tourism fund is a very large number right now, and it's probably burning a hole in people's pockets. But the idea was that as this number accumulates, it will be available to spend in the aggregate cash on the barrel head, to finance a major tourism project in the future. And it won't be, if you deplete it, by bailing out the General Fund. Thank you.

Mayor Lane: Thank you, Mr. Smith. Next is Sonnie Kirtley.

[Time: 00:45:50]

Sonnie Kirtley: Good evening, Mayor Lane. I'm Sonnie Kirtley. I'm the proud chairman of C.O.G.S. I listened very carefully to the commissioners who by the way I was very impressed with. The City Treasurer worked and worked to sell them on this concept of taking money from the bed tax. \$1.15 million is a pretty good chunk of change. I felt they were very ardent in listening carefully to the City Treasurer. They weighed the proposition of the transfer, and they voted unanimously no. I ask you as the City Council to respect the decision of your own City Council-appointed commissioners and to retain that, not this time, no. Thank you.

Mayor Lane: Thank you, Ms. Kirtley. That completes the Public Comment on this particular item and we have before us, of course, the item for our discussion, and we are going to start with Councilman Littlefield.

Councilman Littlefield: Well, I have to laugh about the discussion of loopholes around here. Pretty much everything we do is through some kind of loophole, but the one thing that the esteemed Treasurer said that caught my eye was we are going to save \$600,000. So that's actual real money.

Jeff Nichols: I'm sorry, Mr. Mayor, Councilman Littlefield, it's actual money.

Councilman Littlefield: Okay. In that case, I move we do it.

Councilwoman Klapp: Second.

Mayor Lane: Very good. Would the second like to speak to it?

[Time: 00:47:34]

Councilwoman Klapp: I feel exactly the same way. We are saving money for the taxpayers. So there's really no reason why we shouldn't do this. I think to portray this as a loophole is probably a little disingenuous. I believe that our former City Treasurer, if he was still standing at the podium of the Treasurer would be recommending to us that we save the \$600,000. So my feeling is that this is a good move and we should do it.

Mayor Lane: Thank you. I would have to say, obviously, there is simply \$600,000 that would be saved rather than financing a reserve, we have \$600,000 of available bed tax funds which are legitimately applied to this project. They already have been legitimately applied to this project and some movement between them. And I think that it just doesn't make sense, economic sense not to do that. And as for the TDC and their assessment of it, obviously, and to categorize this as a bailout of the General, the citizens General Fund, is bizarre. In my own estimation, because you are talking about tourism dollars that are meant for tourism projects. We have that delineated in the policy.

To be able to say that we would rather put this on the backs and the resources the rest of our city resources and for things that are basic elements of our city rather than using tourism dollars than tourism application like this. I think it leaves us in a very, it's a very awkward argument to say the least. There is the added component of the arbitrage that was mentioned by our City Treasurer. I don't think that constitutes a loophole, even though there may be some concern as to whether or not you have adequate reserves to protect yourself in certain circumstances. If we put anything in jeopardy with regard to the I.R.S.'s definition of what's financed and what's not and an arbitrage issue, I think that's a pretty serious issue. And I will just leave it at what the City Treasurer, our current City Treasurer has already said. It's a very valid and very interesting and very good point.

This is a legitimate use of the carryover funds to avoid spending an additional \$600,000, and to avoid having another issuance, but it's not necessary. There's probably a number of other observations and frankly, maybe observations that would be taken. Nonetheless, I think you are on solid ground and I think I was certainly in favor of the motion as it's been portrayed. Vice Mayor Phillips?

Vice Mayor Phillips: Thank you, Mayor. I did have one question. Why did the I.R.S. not want, you know, I guess any municipality or whoever, to not save more than 1/12th of a percent. Why has that changed.

Jeff Nichols: Mr. Mayor, Vice Mayor Phillips, it has to do with the arbitrage laws and the fund balance you carry within the debt service funds and you are only allowed to earn a certain amount of interest on that and in order to not violate the arbitrage laws. The other thing is to keep it to 1/12th or less of the annual debt service payment and then you are in compliance without worrying about a calculation after the fact.

Vice Mayor Phillips: That's why because of the interest factor if you saved a lot more than. Listen, I understand the TDC's position on this, I think they are a great group of people and they are looking out for the best interest of the TDC. My personal opinion is that the City Council has to look out for the best interest of the public at large. It's their money. It's taxpayers' money and if we can save them \$600,000, I think we should. So I applaud Mr. Nichols for finding a way to do that.

Mayor Lane: Thank you, Vice Mayor. We have no further questions as I indicated. So thank you very much, Mr. Nichols. I very much appreciate it.

Jeff Nichols: Thank you, Mr. Mayor.

Mayor Lane: We have a motion and a second on the table. Acceptance of this item? So I think we are now going to vote. All those in favor indicate by an aye and those opposed with a nay. It's unanimous, 7-0. Thank you very much for the input and thank you for the input from the audience as well. Thank you. Okay.

ITEM 19 – SCOTTSDALE ROAD HOTEL TROLLEY

[Time: 00:52:18]

Mayor Lane: We move on to our next item, which is Scottsdale Road Hotel Trolley. We have Mr. Basha at the podium, ready to launch into the Day Tripper here. I don't know if it's going to be launching into song or what, but nevertheless, Mr. Basha, please. Thank you very much.

Transportation Director Paul Basha: No music, Mr. Mayor. Mr. Mayor, members of the City Council, my name is Paul Basha. I'm the Transportation Director for the citizens of Scottsdale. This is most difficult professional recommendation I've have to make. Our recommendation is very logical, very factual. It's data driven. However, the difficulty is that we have a different recommendation than you hear from two very important parts of our community. One also is the Tourism Development Commission on this topic, as it was on the last topic and the other is Scottsdale Convention and Visitors Bureau. We simply happen to disagree with those two bodies.

The Tourism Development Commission did vote unanimously to continue the Day Tripper and our recommendation is to discontinue that Day Tripper. The Tourism Development Commission chair David Scholefield and I had numerous in-person meetings and email conversations and telephone conversations over the past eight months to try and develop a compromise solution that would be supported by both the Tourism Development Commission and the Transportation Department. We were simply unable to provide such a compromise.

The Day Tripper has operated for four years. It basically served the hotels on Scottsdale Road, between Scottsdale Fashion Square and Scottsdale Fairmont Princess Hotel. It operates for three months, from the end of December, through the end of March. It operates from approximately 11:00 in the morning until approximately 10:30 in the evening. The Day Tripper uses three city-owned vehicles. Those vehicles were just purchased a year ago and were just delivered. They are very new. They are very fuel efficient and they are very attractive. The vehicles are operated by Dunn transportation which operates all four of our trolley services here in the City.

My next several slides will show you some data on which we base our recommendation to you. The first slide shows all the average daily ridership. Our largest ridership is the Scottsdale Road Route 72, approximately 1800 riders per day. The second highest is one of our trolleys, our Neighborhood Trolley, approximately 1500 riders per day. Notice that the Day Tripper averages approximately 200 riders per day. That's true for both five days as well as seven days. The Sunday ridership is a little bit below 200. The Saturday ridership is approximately 240 riders per day, a little bit higher.

The next slide shows costs. This shows the cost per rider for each of our buses and trolleys within the City of Scottsdale. The highest cost route is the Shea and cactus route at approximately \$8 per rider. The Day Tripper costs the taxpayers of Scottsdale approximately \$7 per ride and then our lowest bus service is Thomas Road and that's approximately \$1 per rider. And this is certainly critical, as was just discussed on the previous item. It is important that we spend taxpayer funds wisely. Essentially when we take money from our citizens or our guests or our visitors, we need to make certain we are spending that money to their advantage and unfortunately, in the opinion of the Scottsdale Transportation Department, spending \$7 per person ride on a Day Tripper is simply not a wise expenditure of funds.

This next graph shows the ridership historic for the past ten years or so of our four trolley routes. The first route that I will show you is the Day Tripper. As you can see, it started approximately four years ago. The ridership has increased slightly over those four years, but it's still very low at 200 riders per day. The second slide I will show you, the second graph I will show you is our Downtown Trolley route. And you can see that prior to the year 2009, the ridership was fairly good. In those years, the Downtown Trolley operated six times an hour, once every ten minutes. However, because of funding constraints in the year 2009, we had to decrease the frequency of that operation, instead of operating once every ten minutes, it now operates once every 15 minutes. And that directly resulted in a 40% decline in the ridership.

What the Transportation Department would like to do is to take the three vehicles that we have been using for the Day Tripper and use them on the Downtown Trolley route and increase the frequency of service on that route to what it was in the years before we lost funding. And, in fact, if the City Council directs the Transportation Department to discontinue the Day Tripper, we believe within two weeks we will take those three vehicles and we will use them on the Downtown Trolley route and we will increase the frequency to every ten minutes, once again, like it was before.

[Time: 00:58:34]

Third trolley route I would like to show you, its ridership, it's our Neighborhood Trolley. It essentially serves residential neighborhoods and community centers south of Scottsdale downtown. You notice that in recent years, it's had very favorable ridership. In the year 2008, we dramatically improve the frequency and the service of that trolley and the ridership increased dramatically. We are not certain why there's been a decline in the last few years but we will be researching that decline in ridership and do all we can to improve the ridership of that route and then the last route is Miller road.

In prior, excuse me, prior to 2010, that route was operated by Valley Metro as a bus route. We assumed operation for that in the year 2010. We changed the route slightly, we changed the frequency. We used trolleys instead of buses and the ridership increased and it's continued to increase, generally speaking for the last four years. I do want to note all four of these trolleys are free to the riders, to the passengers, and that's appropriate for our service. The bus routes in the City all have the same fee that the metropolitan area includes. Also want to inform you that we did very extensively examine the ridership data of the Day Tripper and we examined it based on the type of special events that were occurring.

When there was no special events, it was the average of 200 riders per day, lower for Barrett Jackson and the golf tournament. A little bit above the average for the Arabian horse show and the Giants' spring training games. And I'm missing a game right now, I want you to know.

The highest ridership occurred in March and those were two special events we had, the first being Canal Convergence, which was very, a very successful event provided by our Cultural Council, and in the area of the canal waterfront. And then our traditional annual event of the Scottsdale Arts Festival, also attracted high Day Tripper ridership. Excuse me. We also investigated the daily ridership in a little more detail. At the request of the Tourism Development Commission, the, a consultant was contracted to survey the riders. They surveyed the riders on three dispersed weekends throughout the three months of the service. What they discovered was that 58% of the riders on the Day Tripper were actually hotel guests. The other 42% of the riders were either Scottsdale residents or employees of Scottsdale businesses. So only 58% of the riders were actually being served by the Day Tripper for the intended purpose, hotel guests.

So if you multiply those, it means we had 121 daily hotel guests riding the trolley. It's appropriate to assume that each guest used the trolley twice. Once when leaving the hotel to go to a Scottsdale Road business and then when they returned from the Scottsdale Road business, back to a Scottsdale Road hotel. So therefore, the Day Tripper only serves 61 hotel guests each day. I would remind the commission that we have approximately 8,000 hotel rooms in the City of Scottsdale. This tells us in the Transportation Department quite clearly that less than 1% of the people who pay the hotel bed tax actually use the service.

I would also note that the Day Tripper is only on Scottsdale Road. It only serves Scottsdale Road hotels. It only serves Scottsdale Road businesses. We have approximately 4 to 5 dozen hotels in the City of Scottsdale. Only approximately one dozen of though hotels are on Scottsdale Road. The other uses of the hotel bed tax are hotel guests have the opportunity to use those services, be they events at WestWorld, be it special events in downtown Scottsdale, be it art pieces. The hotel guests that pay that bed tax have the opportunity to use those products and services.

[Time: 01:03:34]

That is not true of the Day Tripper. Only one-quarter of our hotels are served by the Day Tripper. The other three-quarters of our hotels, the guests that stay there, they have no opportunity at all to use the Day Tripper. I think it's important that we understand the purpose of the Day Tripper. If any component of the purpose of the Day Tripper involved transportation, it fails. I'm sorry, but it fails. The ridership is very low. The cost per rider is very high. The number of people who pay the tax that use the service is very low. The number of hotels that are served by the Day Tripper is very low. It fails as a transportation vehicle.

Now, on the other hand, if there is a purpose for the Day Tripper that is not transportation, the opinion of the Transportation Department is, well, they shouldn't be using a transportation vehicle for that purpose. The Convention and Visitors Bureau has access to a survey of meeting manners. They examine 40 destinations throughout the United States and Canada, and Scottsdale is one of those destinations that's been surveyed. And these are the people who recommend to various organizations where they should travel for their conferences and such. Unfortunately, the City of

Scottsdale ranks very low in two categories. Those categories are good local transportation and necessary to rent a car. We in the Transportation Department agree completely with those ratings. Our transportation system in Scottsdale is dominated by automobile travel and private automobile travel. We have a one-dimensional transportation system. Other communities, those other 39 communities have a much more robust transportation system, including bus and in many locations, in most locations, actually, rail. Many of those locations are very, very walkable.

Some of our hotels are quite walkable. You can walk from hotels in downtown Scottsdale to businesses in downtown Scottsdale. That's tough to do from the Four Seasons. It's simply not a walkable community. We concur completely with the meeting planning survey, deficiency, the low rating of good local transportation. Our transportation system is fantastic for automobiles and private drivers but not other purposes. We also concur if you are visiting Scottsdale and want to visit other parts of the valley, the state and other parts of the City, you are probably going to need to rent a car or know someone who rents a car. Again, we concur with the rating of the meeting planners.

[Time: 01:06:42]

In our opinion, the Day Tripper is nonresponsive to those deficiencies. This is one trolley on one road that operates for three months for approximately 11 hours a day. This does not respond to whether or not we have good local transportation. It certainly does not eliminate the need to rent a vehicle. Continuing on with those comments, the survey is rather ambiguous. We do not know what the survey, what the meeting planners are referring to when they say that we do not have adequate transportation. It might be because people have limited transportation options from a Scottsdale Road hotel to Scottsdale Road businesses. Frankly, we doubt that.

We think it's much more likely that the deficiency might be transportation between the City of Scottsdale and Sky Harbor Airport. That's a serious deficiency and that might be the problem. The problem might also be traveling between the City of Scottsdale hotels and local destinations of interest, like the Desert Botanical Gardens or the Phoenix Zoo or Arizona State University or the beautiful Sonoran Preserve or the Musical Instrument Museum. There are many items close to people's hotels that they cannot get to unless they rent a vehicle. It's our opinion in the Transportation Department that that is much more likely, that that's the reason for our low rating. This slide summarizes the reasons for our recommendation. First, it's the very low ridership. Next, it's the very low number of people who should be using the service if it was good, but are not using the service. And that includes three-quarters of our hotels not having any access to the Day Tripper.

Finally this route is on Scottsdale Road which is one of our most successful routes. Our highest ridership route, it's completely redundant to that service. And then finally, as I indicated at length, we believe the Day Tripper is nonresponsive to the meeting manners surveyed efficiency. Therefore, our recommendation to you is to discontinue the Day Tripper operation after four years of service. However, we recognize that the Super Bowl is going to be in Glendale in early February. We recognize that there are many special events in Scottsdale that will undoubtedly attract visitors to our hotels, and people would want to use the Day Tripper from the hotel to those Super Bowl events. So we are recommending to you that we provide that Day Tripper service only for two weeks. Midweek, prior to the pro bowl, to midweek after the Super Bowl I would also like to explain to the City Council that we have prepared a solicitation for proposals to operate the Day Tripper as well as own the City

vehicle so that we would not need to use city owned vehicles.

That solicitation is scheduled to be released this week, to be advertised this week, and we are offering two alternatives. One alternative is for this two-week service that we are recommending and should the City Council so direct. The other operation would be for three months service and, again, that would be different from the current operation because they would be privately owned vehicles, not city owned vehicles. And then the selected proposer would also operate those vehicles for the service. Mr. Mayor, members of the City Council, thank you for the opportunity to make this presentation. I would be happy to answer any questions now or later.

Mayor Lane: Thank you very much, Mr. Basha and if you could hold while we do have a couple of requests to speak on this subject from the public. But we undoubtedly will have some questions before, in our deliberations. We do have three requests to speak on this particular subject and we could start with Sonnie Kirtley.

[Time: 01:10:59]

Sonnie Kirtley: Good evening again, Mayor Lane, and Councilmembers. I'm Sonnie Kirtley. I'm speaking to you in two halves. I'm speaking to you as the chairperson of C.O.G.S. who always supports our Convention and Visitors Bureau and someone as a person of history as your downtown ambassador, trainer, and scheduler. We originated the program, when we go back to the beginning of this trolley, it was called the Hospitality Trolley. We were very excited about it because it was going to help bring our guests from the hotels, and not all guests have private shuttles, to the downtown area and, of course, anything that benefits our downtown merchants and business owners, we certainly want that to happen. However, the first year, the signage on Scottsdale Road was so inadequate, that our hotel guests could not find it.

We would capture them wandering around in the Civic Center looking for the bus stop. So we would ardently bring them back to the closest bus stop which was near Sugar Bowl. The signage improved the next year. First year it was matching funds. I think it was \$90,000 from the hotels and \$90,000 from the City. I think Councilman Borowsky helped to craft that. We had our trolley, our Hospitality Trolley, we were geared up to get the guests into town. Our ambassador information was inaccurate. We were told that we would get open the trolley and be taken out to Barrett-Jackson. They would be taken to the Arabian Horse Show. We thought, wow, that's terrific! No parking problems and the beauty of it was for the women who are, you know, Barrett Jackson widows and don't want to stay and watch the cars all day and all evening, they could come back and shop during the day and go back and join their whoever for dinner.

It turns out the trolley stopped at the Princess. I got an irate phone call from a lady saying I paid \$40 for a taxi ride from the Princess to Barrett Jackson. And I talked to Mayor Lane about that and fortunately he got on the phone and immediately found out there's an additional shuttle, if you want to pay for that, once you are dropped off at the Princess. So at that time, we didn't have complete planning. So here's my request to you, we have the Super Bowl, we have Barrett Jackson. We have the Arabian horse show and beautiful new facility out there.

Why not this year provide on a trial basis a Scottsdale identified trolley that goes up Scottsdale Road,

Princess is fine, but makes the trip to Barrett Jackson to WestWorld Arabian horse shows. Let's give the full treatment. I think we will be happy with what happens in terms of ridership. I'm so thrilled that Paul Basha is back. Because if there's an expert in transportation, it's him. He's a joy to listen to. But on this, we disagree. So I would really like you to consider a complete, real, trolley. Thank you.

Mayor Lane: Thank you, Ms. Kirtley. Next would be Fred Unger.

[Time: 01:14:44]

Fred Unger: Good evening Mayor, and fellow Councilmembers, my name is Fred Unger. I'm here representing the Executive Committee of the Board of Directors of your Scottsdale Convention and Visitors Bureau. Our city is one of only a handful of top cities in this nation that have not rebounded in tourism. We all are scratching our heads. We are working very hard to figure that out. This is a very big opportunity and year for us. In addition to the wonderful events that Sonnie mentioned, Canal Convergence is going to be bigger and better. The Scottsdale Museum of the West is opening and many other things. This particular trolley that ran an average of 40 minutes, that wasn't marketed well, hasn't worked. I'm the first one to agree with Mr. Basha. But I don't think this is the year to throw it out. I think this is the year to market it.

The CVB is prepared to step up with additional funds to do so and have the route properly directed at a later time. But this is something we have got to give it a try. If it doesn't work, if it doesn't improve ridership, next year something else has to be done. But for this very, very important year, while we are on the world stage, and let's face it, a lot of our visitors don't want to get on a public bus. That cute Scottsdale trolley is an event. It's an experience. And it's a much different experience than the public transportation. No disrespect to public transportation, but so we at the Convention and Visitors Bureau urge you to support the three month usage of this entertainment attraction for our city. Thank you.

Mayor Lane: Thank you, Mr. Unger. Next is Carl Grupp.

[Time: 01:16:36]

Carl Grupp: Mr. Mayor, Council, my name is Carl Grupp. I'm a resident of Scottsdale. I proudly serve on the Scottsdale Transportation Board. I have been involved in Scottsdale for over 20 years. I look at the Scottsdale Hospitality Trolley as a true asset. The ability to go out to the meeting planners that we talked about and said we are putting our best foot forward in addressing your concerns and your clients' concerns and making Scottsdale an easier destination to get around in. I believe that the TDC has taken new action to address the concerns that were eloquently articulated by Mr. Basha in farms of a survey of our guests to find out exactly what they need, why aren't they using it? You know, what deficiency are there? So I think we have put our best foot forward. We have brought to the table the three month solution ever going to a private bus solution and then freeing up those public assets.

And I think the most important part is the ability for us to use the trolley as a marketing asset when we are out there in the world, talking about how great Scottsdale is, and to be able to bring into the

conversation an improving message of the ease of accessibility within our community I think is paramount. So I ask you, again, on the heels of some other great comments, this isn't the year to do it. We are on the world stage. We have Super Bowl coming. We have our signature events. They are already in place. Let's, if anything, improve on what we are doing. Let's take that 16% year increase year over year and build upon that. I think this is a great year to make that commitment to improving our situation and I thank you for your vote on a three-month solution. Thank you.

Mayor Lane: Thank you, Mr. Grupp. That completes the Public Comment on this item. We do have some comments from the Council. I will start with Councilman Robbins.

[Time: 01:18:45]

Councilman Robbins: Thank you, Mayor. Mr. Basha, I have some questions. Can you explain the three month solution, the private option a little bit more, please?

Paul Basha: Mr. Mayor, Councilman Robbins, yes, of course. I mentioned that we will be issuing a request for proposals this week. That request has two alternatives. One alternative is for two weeks during the Super Bowl. The other alternative is for three months from the end of December to the end of March. Both alternatives would require the provider to provide their vehicles and operate their vehicles. And that is, in fact, what the, what Carl mentioned.

Councilman Robbins: So what route will they be operating during that three months?

Paul Basha: Councilman, Robbins, the route is virtually identity to the route it was last year, with a slight extension, the Tourism Development Commission recommended that it continue south of camelback to 3rd Avenue and we would include that, should the Council so direct.

Councilman Robbins: So do you have a budget for, that what you expect to pay?

Paul Basha: The Tourism Development Commission recommended an expenditure of \$300,000. \$270,000 were for the operation of the vehicle, and then \$30,000 was for marketing. And that is our estimate. If the vehicles were city owned. We believe that that dollar figure is an accurate estimate of the cost for private vehicle.

Councilman Robbins: So what is our budget now for the current Day Tripper for three months?

Paul Basha: Excuse me, Councilman Robbins, you mean current as in last year or this year?

Councilman Robbins: Last year.

Paul Basha: Last year it was a 30-minute service and it was \$180,000 and the actual expense was approximately \$150,000. The difference in costs from 180 to 270 is the increased frequency from twice an hour to four times an hour.

Councilman Robbins: So do we have a budget, if we continue the Day Tripper for this coming year,

using city owned vehicles, what's the budget?

Paul Basha: \$300,000.

Councilman Robbins: Okay. So you would use that, \$300,000 would go to a private solution or it could be used for the City owned vehicles? More frequently.

Paul Basha: That's correct.

Councilman Robbins: Okay. What would it cost to add the spur that Sonnie mentioned over to WestWorld from the Princess.

Paul Basha: We do provide a trolley service. It was not in the first year, and it may not have been in the second year. I don't recall. But certainly the last two years, the trolley did serve the WestWorld event. Yes. Barrett Jackson and horse event.

Councilman Robbins: So then I guess I'm a little confused if we have the same budget but two different options. You are saying, not go with the Day Tripper but go with this private solution but they are both \$300,000?

Paul Basha: Councilman Robbins, I'm sorry, I was not clear. The \$300,000 would be for the three month operation. The cost for the two week service would be substantially less.

Councilman Robbins: I'm trying to distinguish our current three trolley system that we use the Day Tripper on and the private solution.

[Time: 01:22:38]

Paul Basha: We currently estimate the costs will be the same, whether it's city-owned vehicles or privately owned vehicles. We will know when the proposals come in.

Councilman Robbins: So then this isn't really a resource issue if we are spending the same amount, then it, we're still going to be expending those dollars but you are just saying it could be done better by a private solution rather than a city owned vehicle?

Paul Basha: Mr. Mayor and Councilman Robbins, no. We think it's an unwise use of money whether they are city owned or privately owned. We recommend strongly that the Day Tripper be discontinued.

Councilman Robbins: And not do the three month private solution either?

Paul Basha: Correct. Not do the three-month private solution. Our recommendation is only for the two-week service during the Super Bowl. It's an option for the Council to decide if they would like us to operate it for three months and we obviously feel obligated to provide that option to the Council. We simply recommend against it.

Councilman Robbins: I'm definitely in favor of keeping it and I would like to see the private option, the differences between that and what we are currently doing, but I certainly think if anything we should be adding to it and expanding it especially during the Super Bowl. We had a meeting about a month ago tweaking it. I think we have done that every year. So I'm in favor of keeping it and making it better, but we'll see where the rest of the Council goes.

Mayor Lane: Thank you, Councilman. Councilwoman Korte.

[Time: 01:24:19]

Councilmember Korte: So I remember a year ago saying that I will support the Hospitality Trolley one more year to test its effectiveness and success. And here we are again with the same results as last year. So I've got a couple of questions, of perhaps why. When you talked about Route 72, that was M.A.G. transportation. Help me with Route 72 as opposed to the route that the Day Tripper follows.

Paul Basha: They are identical. They are on the same street. Scottsdale Road, road 72, operates 372. It extends from the Scottsdale Healthcare Thompson Peak campus, far south into Chandler. The Hospitality Trolley operates for a portion of that length from the Fairmont Princess Hotel to Scottsdale Fashion Square. The bus stops are the same. The only difference is the Hospitality Trolley enters Scottsdale Fashion Square property and enters Scottsdale Fairmont Princess property. Route 72 doesn't do that. It stays on Scottsdale Road. Other than that, if you wanted to take one of those buses, either Route 72 or the Hospitality Trolley, you would stand next to the same sign at the same location.

Councilmember Korte: And when you spoke of the potential of, if you decided to eliminate the Day Tripper, we could augment the frequency of the other route, that's Route 72?

Paul Basha: No. We would augment the Downtown Trolley route.

Councilmember Korte: Okay.

Paul Basha: The Downtown Trolley route used to operate six times an hour but because of funding constraints five years ago, we had to reduce the frequency to four times an hour. If we could use those three Day Tripper vehicles, we could resume the six buses, sorry, six trolleys per hour operation and we would do that in two weeks.

Councilmember Korte: There have been many excuses for the failure of the Hospitality Trolley. One was mentioned to be signage. Has that been corrected? Is there adequate signage for this route?

Paul Basha: Mayor Lane, Councilmember Korte, we believe that signage issue has been resolved. That was a serious issue four years ago and it was still an issue two years ago. This last season, we worked very dedicatedly with the Convention and Visitors Bureau to provide better signs and better maps; we also modified the route extensively. As Mr. Unger mentioned, the route used to be a 40-minute route, but it was advertised as 30 minutes. So it was perpetually late. It was completely unreliable. We shortened the route. We stayed on just Scottsdale Road.

We ensured that the route schedule could be accomplished in 30 minutes and it operated very efficiently, very reliably and I can't remember if I mentioned it or not, the trolleys that we used last season from December 2013 through March 2014 were entirely new. They were approximately 3 weeks old when they were implemented. They were designed to be trolleys and had artificial wood. They looked like a trolley and they were very fuel efficient. When I rode the Hospitality Trolley, the passengers were very excited and very pleased with the trolley as one of our, maybe two of our speakers spoke this evening. It's a very desirable vehicle and there's some cache to it. And as you mentioned Councilmember Korte, we this identical discussion a year ago and the request was please, let's try it one more year. We did try it one more year and the ridership remains stagnant.

[Time: 01:28:58]

Councilmember Korte: So some of the reasons it was brought up, reasons why the fourth year failure has been maybe signage, how about misinformation on the trolley and the route. Has that been clarified as far as sharing that information with our ambassadors, the CVB, has that been corrected.

Paul Basha: Councilman Korte, yes, we believe that was corrected last year as well. We worked very closely with the Convention and Visitors Bureau, with representatives of Tourism and the Development Commission, and with our Economic Development Department. And what we did, we had, we called it a concierge event before the, before the Day Tripper began operation. And we explained the service to the concierge at all the hotels that participated and we encouraged the concierge to recommend to their guests, to use the Day Tripper, and, again, when I rode the Day Tripper, the people who were riding with me, when I asked them how did you find out about it, they said the concierge recommended it. We believe wholeheartedly that we did everything possible to make the Day Tripper successful last year. And I remember records, as a broken record, it failed.

Councilmember Korte: Lastly, one of the biggest issues that has been brought to me is the lack of marketing. No one seems to know that the Day Tripper is around and I want to break into a song. So who is going to market? Where is that responsibility? Where is the commitment for that? What are the dollars committed for it? Because if we don't market this, we're going to have another failure and we are going to waste another \$300,000.

Paul Basha: Councilmember Korte, pardon me. The real reason we are discontinuing this because I'm tired of singing the Day Tripper song constantly. Regarding marketing the Tourism Development Commission recommended \$30,000 to be dedicated to marketing, pardon me. I know you are family, you can't sell something that isn't a good product. It doesn't matter how much advertising and marketing you do, if it's a product that people don't want, they won't use it. And that's what we discovered this past season.

Councilmember Korte: Thank you.

Mayor Lane: Thank you, Councilwoman. Councilman Littlefield.

Councilman Littlefield: I was interested in your comparison between the Day Tripper and Route 72. Tourists want to take Route 72, the big green bus, they have to pay. The Day Tripper's free, is it not?

Paul Basha: Mayor Lane, Councilman Littlefield, that's correct, it's free.

Councilman Littlefield: Maybe that it's green is not what turned them off but they have a free alternative.

Paul Basha: In the survey, that question was asked to passengers how much would you be willing to pay for the Day Tripper if it was charged? Several people said they would be happy to pay up to \$10 a trip.

Councilman Littlefield: Okay. Which is more than it costs to ride Route 72.

Paul Basha: By about five times, yes.

Councilman Littlefield: Well, the obvious conclusion is we need to get Valley Metro to get rid of all the green buses and get trolleys. I remember four years ago when we approved this and at the time, and you are right, it was Councilwoman Borowsky's project, we said, if it doesn't work, we can always cancel it. And then every year since then, we have said the same thing, a Councilmember Korte pointed out, we said the exact same thing last year. We had four years and I think it's time to put a stake through the heart of this. I'm sympathetic to the idea that we will do something during the Super Bowl. So I would like to make a motion that, it kills me to say this, but we adopt the staff recommendation. I'm on the way out. You won't hear this much anymore. So anyway, that we adopt the Transportation Director Basha's recommendation and we not continue the Day Tripper except that we do the two week option during the Super Bowl.

Mayor Lane: A motion has been made and it's been indicated by Councilman Littlefield.

Councilmember Korte: Second.

Mayor Lane: Would you like to speak toward that? I think we will proceed with some conversation, unless there's a change of thought as I've got several people who would like to speak. Would they tip to like to speak on this with the motion on the table? Councilwoman Milhaven.

[Time: 01:34:14]

Councilwoman Milhaven: Thank you, Mr. Basha, you certainly make a compelling argument. And one of the things that I have learned from you is that the less frequently it runs the more unreliable it is and so fewer people will ride it and you certainly demonstrated that again tonight. And so what you are, but you are telling us, though, that we are going from last year, it went every 30 minutes to this year, it's every 15 minutes. If I follow your argument, that would suggest, despite some of your other constraints around it, it should be much more attractive and increase ridership in the current year. Is that logic that maybe you could react to that?

Paul Basha: Mayor Lane, Councilwoman Milhaven, you are correct. If we provided 15 minute service, the operation would improve. It would still be very low. A high percentage of a low number is still a low number.

Councilwoman Milhaven: Because my thinking is why don't we run it every ten minutes and why don't we take the route to the Tempe Transit Center so that anybody can get here from there. And bring folks to downtown Mesa, downtown Tempe and downtown Phoenix and downtown Scottsdale if we are going to invest in all of these great events, why not make it easier for folks regionally to come to Scottsdale, as well as get around regionally? I would like to, you probably say you are taking a bad idea and making it worse, but I would still like to get your perspective on the idea of increasing the frequency of the route.

Paul Basha: Councilwoman Milhaven, we agree completely with that concept and we intend to provide 10-minute Scottsdale Road Route 72 bus service starting in April of next year. We agree. We should have 10 minute bus service on Scottsdale Road, at least from our downtown area to the Tempe light rail station. And we are diligently trying to provide that service. We believe Route 72 is a better, pardon me, vehicle for that operation, because it's every single day, all year long, and it's very dependable. The Hospitality Trolley is only for three months.

Councilwoman Milhaven: It sounds like it would be before Route 72 increases its frequency. I wonder if it doesn't fill a short-term gap. And then I wanted to ask you another question that's a little off topic but it was follow-up to something you said. We eliminated a bus service and replaced it with a trolley. So we went from a bus where people paid to a trolley where it's free?

Paul Basha: That is correct.

Councilwoman Milhaven: Why would we do that?

Paul Basha: Because the Miller Road bus service was not operating well. The ridership was low. It was attempting to serve both Scottsdale and Tempe. We believed we could operate the service much, much better, if it was only a Scottsdale route, and did not connect into Tempe. We believed we understood our citizens and their transportation needs better than Valley Metro and the proof of that was the dramatic increase in ridership and, in fact, the Arizona Transit Association awarded the City of Scottsdale and Dunn Transportation, one of its highest awards because of the success of the Miller Road trolley route.

[Time: 01:37:43]

Councilwoman Milhaven: And success is judged by ridership?

Paul Basha: Correct, that's the dominant measure, as well as reliability and passenger response and opinions.

Councilwoman Milhaven: I would imagine it also costs us more to run a free trolley than it did to run a bus. So it's balancing ridership with the cost of the City.

Paul Basha: Cost per rider was probably about the same, perhaps less when it was free. Something that's a little bit difficult to understand with bus operation, it's expensive to charge fares. It also, you have to have the equipment. You have to have a driver who is communicating with the passengers

about fares and change and such and how to operate those little fare boxes. And all of that lessens the reliability of the service. I don't know how to say this any differently, charging is a negative in the world of bus operations.

Councilwoman Milhaven: Charging is a negative in every operation. Free is always better!

Paul Basha: And if I may, for example, the light rail vehicles, it's on the honor system. No one collects the fares. No one forces you to purchase a ticket, how far, if you don't purchase a ticket, periodically security guards ask you to leave or pay a large fine. But the transit industry understands that charging does not make any more money, and, in fact, it can make less money than not charging.

Councilwoman Milhaven: Thank you. Just my two cents. I was one of the ones too who said one more year last year but I do see this as a special year and I know you have made a two-week option to accommodate the Super Bowl, but there's another thing I see happening differently this year that we would not have anticipated and that's the work of the group around the Tourism Master Plan and trying to address some transportation needs. And so given that we are increasing the frequency of it, and marketing it some more, given that it's a big year for us and there's a lot of initiatives, I'm inclined to support the tourism community's request to spend the bed tax dollars on this. So thank you for your, you make a very compelling argument. Thank you.

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

[Time: 01:40:10]

Vice Mayor Phillips: Thank you, Mayor. Well, you did make a great argument, and a great transportation argument, but you look at it, we're still working on a monument. I will draw it. But you look at it from the Transportation Director's view point. I look at it from the public's view point, and the tourism view point and the City view point, and how this started out, let's say, as an experiment and if it doesn't work, we won't have to do it again. I never saw this that way. I wasn't on the Council at the time. But I hope to continue it. I didn't look at it as this is an experiment. I looked at it as this is something that the City should provide. And I think we should provide more and more trolleys, the more the better. I think Scottsdale you even mentioned, you know, that, we didn't all agree with you on that, we would do a better job than the Phoenix transit does. And I would like to see more of that. I don't want to kill this at all. I want to expand on it. You made the comment that if a product, if people don't use the product, we shouldn't use it. Well, you know, we spend billions of dollars on light rail and people don't use the product. It doesn't pay for itself. Phoenix transit pays for the bus system. It never will. It's always a losing proposition. But the cities do that, because they are trying to take care of their people in the City.

And so sometimes you have to take a loss in order to take care of people around you. And Scottsdale being a tourism city, we have to be able to have that opportunity for them to take a trolley to have that experience as many Unger said, to experience the trolley and go downtown. If you go to some other cities. I have been to a lot of other cities and you get on the bus and you get your ticket and you get off the bus and you get another ticket and then you ask the bus driver, why am I going the opposite direction and he said, well you got on the wrong bus. On Mrs. Kirtley's comment, we should extend it. I thought why didn't we do that from the very beginning. I feel that the Day Tripper

trolley or the Hospitality Trolley has really never been given the chance and I feel that those who didn't really like the idea are contributing to not giving it a chance. I think if we look at it from the opposite view point and say how can we make it better, what can we do and go full on board with this thing, it would be a great benefit to this the City, instead of trying to find ways to kill it. I'm in full support of the three month trolley and I hope it continues and I hope it expands.

Mayor Lane: Thank you, Councilman. I'm sorry, Vice Mayor. Councilwoman Klapp.

Councilwoman Klapp: The last couple of speakers pretty much covered what I was going to say, but I will just recap that Councilwoman Milhaven made the point that I'm going to make, is that we are looking at increasing the frequency this year, and I think that will improve the ridership if it's going to be a 15 minute frequency rather than 30. Then based on all of the information you provided us, it tells us that we will get greater ridership. I think that the trolley was devised a few years ago with some bad information, bad routing. I think the routing, I don't even know if the Transportation Department did the routing back then. So, I mean, 9 people would put it together didn't know much about routing and so we have improved on the routing in last two years and I think as I understood my meeting on this, a few weeks ago, is that the routing is being tweaked a little bit again, in order to improve it. Is that correct?

Paul Basha: Mayor Lane, Councilwoman Klapp, the route is being extended approximately a quarter mile. I wouldn't call that a tweak, myself. We made dramatic modifications to the route before the last season. And as I said earlier, we did everything we possibly could to make this Day Tripper successful and it simply wasn't.

Councilwoman Klapp: Right. I believe in this year I would support extending it for the three month period if we wanted to find a private service to do it, that would be fine. If it appears to be comparable, so it would free up, as I understand it the benefit it frees up the buses. It may not cost us any differently, but your buses would not then be utilized for the, for this route, you could use it for other things, given if you have the funding to do it.

[Time: 01:45:03]

Paul Basha: Councilwoman Klapp, that's correct.

Councilwoman Klapp: So that's a benefit to go a private company. And then the comments that were made by Councilman Phillips or Vice Mayor Phillips is also something that believed should be considered is that, is that is this for transportation or is it for tourism? You are looking at from the perspective of transportation. It was devised in order to increase the services for tourism. I think that's what this particular trolley is all about, is to serve tourists and if residents want to ride it, all the better. I don't have any problem that the surveys shows that some residents are using the Day Tripper, because they are going to the ball games. They are coming downtown. They are parking their vehicle elsewhere, and getting on it and going to other events. So it's increasing the attendance of tourism events, which is what we want to do.

So because this is Super Bowl year, I really truly believe we ought to continue to do this for a three-month period. Let's see what the results are after we see what the increase in frequency is.

As well as we have more tourists in the City, and also utilize private vehicles if possible, and see how that works for us, as far as our planning is concerned. And the only observation I would make on any of those charts you showed us is that I think get rid of the Greenway route. It's even worse than the Day Tripper!

So, you know, I know that look like anybody is on that route. So that's my feeling about those particular routes that you showed us, and as far as being able to utilize buses for other routes over the period of time you identified trying to increase the frequency of the Downtown Trolley, I also would just like to put in a plug for the concept of perhaps we have an idea about, in the future about putting in a trolley that would serve our the Via Linda Senior Center as we have a trolley for the Granite Reef Center. That's a need that needs to be addressed in providing a trolley for that area of town, just as we have done in the area of the Granite Reef Center. For this year, I think the Hospitality Trolley should continue for the three month period. Thank you.

[Time: 01:47:32]

Mayor Lane: Thank you, Councilwoman. Paul, very persuasive and very interesting report as far as all of this is concerned. I think I got an answer on the private versus the City vehicles being used. So that now there's extended or additional use. They wouldn't be standing by or just in favor of the private supplier. We are talking about utilizing both of them. So there's some additional services that we'll be providing with those buses as they are available or frankly, or is it just covering the base? In other words, we don't have the ability of city buses or city trolleys to accomplish this task?

Paul Basha: Mayor Lane, it is our hope that if we operate the trolley for three months, with privately owned vehicles, we would then be able to use our city vehicles for other purposes. The only caveat to that is we don't know the expense yet.

Mayor Lane: The other purposes, is that to expand other services.

Paul Basha: Absolutely. As I mentioned, we would use these vehicles immediately with the Downtown Trolley, if they become available.

Mayor Lane: You know, I was looking at your chart here that you have. You could put it back up, I suppose, and that is the cost per rider, with the estimated cost per rider on the Day Tripper somewhere close to \$7 per. And the Route 72, no, I'm sorry, Shea and Cactus, \$8 per. I'm presuming this is on the basis of cost per available passenger mile too. So all of the costs are associated with the longer routes, because as you compare it with something downtown, like where you have a whole lot less mileage involved, then you have a whole lot more passengers. I'm presuming that that's all been figured into the equation of total comparative cost.

Paul Basha: Mayor Lane, that's correct. We did examine the cost per passenger mile. We believe that the cost per rider on a daily basis was much easier to understand and much easier to present. So we have that information but we didn't present it this evening.

Mayor Lane: Paul, what is our subsidy to Valley Metro on Route 72? Is it net of fare box return? And frankly, also the additional costs that we pay to the City of Phoenix for management? I think it's 15%.

Paul Basha: Mayor Lane, I do not have those costs with me.

Mayor Lane: I would tell you, it's north of \$1.5 million, and may be more serious than that. I know it's in that range of thing. I realize that there's not a whole lot of denigration with the Day Tripper. You can assume that the tourists, I guess as have been expressed, they will not take the bus is the way it's been indicated. The workers or residents or otherwise taking it they would be removed from the bus traffic. Your arguments are very persuasive and I'm one that has really looked at this hard each year to say, hey, if it works, it's fine and we have looked towards the tourism industry and frankly to the resorts or hotels on that route, to make sure that it's utilized. And this coming here, this is a combined component of transportation and tourism.

[Time: 01:51:22]

It most assuredly is something that's going to address an ability to get downtown and to alleviate parking problems and congestion problems if we have the type of activity that we anticipate having. So I for one am a believer that this year is certainly the year of the final test, if you will but I also think that it focuses on a very precise period of time, as your graphs have indicated. I like the idea of consistency. If it was growing, that's one thing. What you are showing and demonstrating, even with some improvements, it's not budged off the dime very much. And that's discouraging to me. So this year really, as I say, it would be the final test, but I'm almost an advocate of, and I realize this throws some uncertainty in how it may be scheduled or marketed but the two-week period of time that you are talking about, would be an excellent period of time to see if it has a future.

I'm talking about through the remainder of the three months, even though I'm not offering an amendment to the current motion that's on the table right now. I think that's certainly a reasonable thing for us to do, to say, if it really holds up and these things are packed and each of these hotels and resorts are promoting it and filling it, not just as a convenient alternative that's out there and you could ride around empty in it, but at the same time that it fulfills a need of alleviating potential parking issues as well as just traffic congestion, potential traffic congestion downtown with some of these. So, I don't know, what's the matter? That's pretty funny. In any case, Paul, I respect where you are coming from. I think it's a combination of transportation as well as tourism. These are tourism dollars and on the one hand, we have been rather difficult to save a lot of money and in this case, we want to spend a lot of money on something that has cost us a lot of money without much utilization. So I'm a little perplexed as what direction we are coming from as far as the advice we are receiving on this. In any case, we will go to Councilman Littlefield.

Councilman Littlefield: Just to clarify, I wasn't laughing at you. It was something else that was funny. So, it was that, well, actually, yes, in fact, it actually is the thought I'm about to share. But I didn't want you to feel insulted. You will miss me when I'm gone. Anyway, there's an accountability issue. This year, if it doesn't work, we are going to cancel it and we never do. And now after four years, I mean, Basha has done everything but put dancing girls in the damn thing to get people in and it just doesn't work! So at what point do we say to people, I mean, yeah, this is not a lot of money. It's probably about the size of our paperclip budget around here. We told the public we will try this and if it doesn't work, we will cancel it. Oops it didn't work but we will give it another year. Oops it didn't work but this year we really mean it. We will really do it. The thing didn't

work. It cost a ton of money, which we don't have. Put a stake through the heart of it and let's move on.

He's trying to do something good by putting it on another route that is used. We should be like, good job. I'm not sure why anyone thinks it's time to throw more good money after bad. It didn't work. We promised the public it didn't work, and we would cancel it. So let's cancel it. We will give them the two weeks that they asked for. That makes sense because it will be a busy time. Let's move the trolleys, which are much nicer than the green buses, of course. Let's move the trolleys over to somewhere, where people actually need it and use it in response to Councilman Phillips or excuse me, Vice Mayor Phillips' talk about let's do something for people. I stand with my original motion.

Mayor Lane: We have a motion and a second on the table. And there's no further comments that we received. So all of those in favor of the current motion, please indicate by aye and those opposed with a nay. Aye. The motion fails 4-1 or 4-3. Myself, Littlefield and Councilwoman Korte.

[Time: 01:56:50]

Councilwoman Milhaven: I would like to move to direct staff to move forward with the three-month trolley program. I also, we'll see how this goes over. I will ask that the staff work with the TDC to consider extending the route down to the Transit Center, see if they think if that's a worthwhile use of their bed tax funds and I would request a report back on the program pulled from the Transportation Department, and from tourism before the summer break so we can get clarity around what was done differently and what you think worked so that we can have this conversation about next year sooner rather than later.

Mayor Lane: The motion is.....

Councilwoman Milhaven: Move forward with three months.

Mayor Lane: There's no direction being given right now.

Councilwoman Milhaven: It's agendized to give staff direction, right? I'm making a motion.

Mayor Lane: On these motions.

Councilwoman Milhaven: I'm making a motion to direct staff to move forward with the three-month option to work with the TDC to consider extending the route to the Transit Center in Tempe and request that they come back with an update on this year's program before the summer break of 2015.

Councilman Robbins: Second.

Mayor Lane: A motion has been made and seconded. Would the second like to speak to it?

Councilman Robbins: No, Your Honor.

Mayor Lane: Councilman Littlefield.

Councilman Littlefield: I would like to propose an amendment, that if it doesn't work after one more year that we are going to really, really, really, really, really, really going to cancel it.

Mayor Lane: Mr. Washburn, did you get the alternative motion?

City Attorney Bruce Washburn: There were five reallys. I counted them.

Mayor Lane: It has died for lack of a second for the alternative motion. All those in favor of the motion, please vote by aye. The motion passes 5-2, with myself and Councilman Littlefield opposed. We don't have any further Public Comment. We don't have any petitions. And we have no other items from the Council.

ADJOURNMENT

[Time: 01:59:06]

Mayor Lane: I would accept a motion to adjourn.

Councilman Littlefield: I move we go for a trolley ride. Adjourn, I'm sorry.

Mayor Lane: A motion has been made and seconded. We are adjourned.