

Meeting Summary: Budget Review Commission

Date: February 23, 2026

Subject: 2026-2027 Preliminary Capital Improvement Plan (CIP) and Commission Governance

1. Governance and Elections

The Commission held its annual election of officers at the start of the meeting:

- **Chair:** Commissioner Schweiker was nominated and elected unanimously.
- **Vice Chair:** Commissioner Stevens was nominated and elected. (Commissioner Newman declined a nomination due to prior commitments).

2. The New CIP Review Process ("Tiger Team")

City Manager Greg Caton and Senior Director Allison Tipkew introduced a significant shift in how the City handles its **Capital Improvement Plan (CIP)**.

- **Philosophy:** The City is moving away from "best guess" budgeting. New projects will now undergo a two-step process: starting with a feasibility/assessment phase and only moving to construction budgeting once the scope and costs are realistically vetted.
- **"Tiger Team":** A new review committee (the "Tiger Team") meets weekly to review project readiness.
- **Efficiency Example:** A restroom project at the Civic Center Library was reduced from an initial estimate of \$810,000 to \$363,000 through smarter design and better internal estimation.

3. Water Resources & Infrastructure

Water planning was a primary focus, prompted by both public comment and Commissioner inquiries.

- **The Six-Prong Approach:** The City continues to pursue water security through:
 1. Conservation
 2. Bartlett Dam Expansion
 3. Advanced Water Purification (AWP)
 4. Harquihala Water
 5. Well Recovery
 6. New Water Supply Acquisitions
- **Project Delays:** Several major water projects were removed from the immediate 5-year CIP. Staff explained this is not a cancellation of the "water future," but a pause to gain cost certainty following new ADEQ (Arizona Department of Environmental Quality) regulations.

- **AWP Update:** The City is transitioning from "Advanced Water Treatment" to "Advanced Water Purification" to meet new potable standards. A feasibility study is underway to determine exact operating and capital costs.
- **Bartlett Dam:** While currently out of the 5-year CIP due to cost uncertainty, staff indicated it remains a critical component that will likely return to the budget once numbers are finalized.

4. Transportation and Road Maintenance

- **Pavement Condition Index (PCI):** Scottsdale's average PCI has declined to approximately \$63\$. The goal is to return to the mid-\$70s (\$75+ \text{ to } 78\$).
- **Funding:** The City is targeting an annual spend of \$40 \text{ million}\$ to \$45 \text{ million}\$ for pavement overlays.
- **Thomas Road:** Staff clarified that Thomas Road was historically a "deferred maintenance" item because a total rebuild was planned. Now, with federal grant funding, the design is complete and construction is expected to move quickly once the budget is approved in July.
- **In-House Efficiencies:** The City is piloting a "Liquid Road" program in-house using existing vacancies and new equipment to save costs compared to outsourcing.

5. Facilities and Community Impact

- **Paiute Neighborhood Center:** Commissioner Carla raised concerns about the center being "pushed off" in the budget despite being in disrepair. Facilities staff noted they spend approximately \$144,000\$ annually on upkeep to address health and safety while awaiting major capital work.
- **Granite Reef Senior Center:** An adult daycare expansion is currently undergoing a feasibility study in partnership with Honor Health.

6. Commission Oversight & Future Items

- **Strategic vs. Audit:** The Commission discussed whether their role should be high-level strategic review or deep-dive auditing. Commissioner Stevens emphasized the need for detail (referencing a Fire Station estimate of \$420 \text{ per sq. ft.}\$), while others suggested the BRC should focus on whether the plan is equitable and mitigates city-wide risks.
- **Upcoming Agenda Items:**
 - General Fund revenue projections.
 - Second Quarter financial reports.
 - A report on **AI (Artificial Intelligence)** efforts citywide.
 - Discussion on FTE (Full-Time Equivalent) management and personnel restructuring ideas.