



**MINUTES OF THE
GLENDALE CITY COUNCIL MEETING
Council Chambers
5850 West Glendale Avenue
January 10, 2012
7:00 p.m.**

The meeting was called to order by Mayor Elaine M. Scruggs, with Vice Mayor Steven E. Frate and the following Councilmembers present: Joyce V. Clark, Yvonne J. Knaack, H. Philip Lieberman and Manuel D. Martinez.

Councilmember Norma S. Alvarez was absent.

Also present were Ed Beasley, City Manager; Horatio Skeete, Assistant City Manager; Craig Tindall, City Attorney; and Pamela Hanna, City Clerk.

COMPLIANCE WITH ARTICLE VII, SECTION 6(c) OF THE GLENDALE CHARTER

A statement was filed by the City Clerk that the 3 resolutions and 4 ordinances to be considered at the meeting were available for public examination and the title posted at City Hall more than 72 hours in advance of the meeting.

APPROVAL OF THE MINUTES OF THE DECEMBER 13, 2011 AND DECEMBER 20, 2011 CITY COUNCIL MEETINGS

It was moved by Clark, and seconded by Lieberman, to dispense with the reading of the minutes of the December 13, 2011 Regular City Council meeting, as well as the December 20, 2011 Special City Council meeting, as each member of the Council had been provided copies in advance, and approved them as written. The motion carried unanimously.

CONSENT AGENDA

Items on the consent agenda are of a routine nature or have been previously studied by the City Council at a work session. They are intended to be acted upon in one motion.

Mr. Ed Beasley, City Manager, read agenda item numbers 1 and 2 and Ms. Pamela Hanna, City Clerk, read consent agenda resolution item numbers 3 through 5 by number and title.

1. LIQUOR LICENSE NO. 5-3262, ARIZONA PIZZA COMPANY

This is a request for City Council to approve a new, non-transferable series 12 (Restaurant) license for Arizona Pizza Company located at 8110 West Union Hills Drive, Suite 3-350. The Arizona Department of Liquor Licenses and Control application (No. 12078921) was submitted by Jennifer Anne Owens.

The location of the establishment is 8110 West Union Hills Drive, Suite 3-350 in the Cholla District. The property is zoned C-2 (General Commercial). The population density within a one-mile radius is 15,526. Arizona Pizza Company is currently operating with an interim permit, therefore, the approval of this license will not increase the number of liquor licenses in the area. The current number of liquor licenses within a one-mile radius is as listed below.

Series	Type	Quantity
03	Domestic Micro – Brewery	1
06	Bar - All Liquor	1
09	Liquor Store - All Liquor	4
10	Liquor Store - Beer and Wine	1
12	Restaurant	10
	Total	17

The City of Glendale Planning, Police, and Fire Departments have reviewed the application and determined that it meets all technical requirements.

No public protests were received during the 20-day posting period.

Based on information provided under the background, it is staff’s recommendation to forward this application to the Arizona Department of Liquor Licenses and Control with a recommendation of approval.

2. FUND AUTHORIZATION FOR PARTS REQUIRED FOR REPAIRS AT CHOLLA WATER TREATMENT PLANT

This is a request for City Council to authorize the expenditure of funds to GEA Mechanical Equipment US, Inc., in the amount of \$71,745.87 for repairs at the Cholla Water Treatment Plant.

This request supports Council’s goal of one community with high-quality services for citizens by allowing the city to continue producing high-quality water in the plant’s service area and to stay in continued compliance with state and federal regulations.

The Cholla Water Treatment Plant produces high-quality drinking water through a complex production process. The facility uses two centrifuge units to treat water as part of the process. During scheduled maintenance, plant operators determined that one of the centrifuges had extensive damage to an internal mechanical component and required immediate repairs. Plant operators removed the centrifuge from service and implemented procedures in order to maintain water production at required levels until the repairs could be completed. The component was

shipped to the vendor’s New Jersey facility due to the complexity of the damage. A more complete inspection revealed greater damage than was originally accessed.

GEA Mechanical Equipment US, Inc. is the only authorized dealer of Westfalia parts in the nation. There are no substitutes or other parts that could be used for repairing the damaged equipment. Required documentation was submitted to the Materials Management department to request a sole source procurement, and after careful review, it was approved in accordance with City Code.

Procurement of parts in this manner allows for the uninterrupted operation of the water treatment facility and allowed the city to meet the water demands in the distribution system while remaining in compliance with all applicable standards and requirements.

Funds are available in the FY 2011-12 operating budget of the Water Services Department.

Grants	Capital Expense	One-Time Cost	Budgeted	Unbudgeted	Total
		X	X		\$71,745.87

<u>Account Name, Fund, Account and Line Item Number:</u> Cholla Treatment Plant, Account No. 2400-17260-523400, \$71,745.87

The recommendation is to authorize the expenditure of funds to GEA Mechanical Equipment US, Inc., in the amount of \$71,745.87 for repairs at the Cholla Water Treatment Plant.

CONSENT RESOLUTIONS

3. INTERGOVERNMENTAL AGREEMENT WITH MARICOPA COUNTY FLOOD CONTROL DISTRICT

This is a request for City Council to adopt a resolution authorizing the City Manager to enter into an intergovernmental agreement (IGA) with the Maricopa County Flood Control District (MCFCD) to participate in the cost of the construction of drainage improvements at Beardsley Road and 55th Avenue.

This request supports Council’s goal of one community with high-quality services for citizens by providing for the construction of a drainage facility which will alleviate flooding in the surrounding neighborhoods.

The residents in the neighborhood surrounding this site have experienced flooding issues during heavy rainfall. The city, in cooperation with the MCFCD, completed the Storm Water Master Plan in July 2011. The study identified drainage improvements for Beardsley Road and 55th Avenue and several other locations. In October 2011, the city was invited to submit proposals to MCFCD for cost sharing of the construction of local drainage improvement projects. The city submitted proposals for three different locations. MCFCD approved the proposed improvement at this location as providing the most drainage benefit for the least cost. The improvements will

construct a valley gutter to drain the water from the east side of 55th Avenue west to the 55th Avenue channel.

This project was selected from three projects submitted to MCFCD’s Small Projects Assistance Program. The three projects were: 55th Ave. & Beardsley Road Drainage Improvements; Murphy Park Amphitheater Drainage Connection; Inlet at 61st Avenue and Basin at Sahuaro Ranch Park. MCFCD selected this project through a prioritization process which looked at the degree of flooding (structures flooded, unsafe street flooding, nuisance street flooding, number of flooding events, supporting documentation of flooding, cost and percent share municipality was willing to fund, etc.). In the past, two structures have experienced flood damage at the Beardsley Road and 55th Avenue location.

MCFCD only allowed three candidate projects to be submitted. These projects were designated to be “small” projects. Projects with construction costs below \$500,000 are considered to be “small.” The cost of \$60,000 was estimated by Kimley-Horn and Associates in the city’s recent Stormwater Management Plan update. The estimates for the other two projects were \$300,000 for the Murphy Park project and \$10,000 for the Sahuaro Rand Park project (street flooding only).

This project will construct facilities which will drain storm water away from adjoining homes to an existing drainage ditch. This will improve street drainage in the neighborhood surrounding this project during heavy rainfall.

Funds are available in the FY 2011-12 capital improvement plan. Per the IGA, MCFCD will remit a payment to the city in the amount equal to 75% of the cost of construction (\$45,000). The city’s share of the construction costs will be no more than \$15,000. There are no operating costs associated with this project once it is complete.

Grants	Capital Expense	One-Time Cost	Budgeted	Unbudgeted	Total
X	X		X		\$60,000

Account Name, Fund, Account and Line Item Number:
 Local Drainage Problems, Account No. 2180-79004-550800, \$60,000

The recommendation is to waive reading beyond the title and adopt a resolution authorizing the City Manager to enter into an intergovernmental agreement with the Maricopa County Flood Control District to participate in the cost of the construction of drainage improvements at Beardsley Road and 55th Avenue.

Resolution No. 4533 New Series was read by number and title only, it being A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING AND DIRECTING THE ENTERING INTO OF AN INTERGOVERNMENTAL AGREEMENT WITH THE FLOOD CONTROL DISTRICT OF MARICOPA COUNTY FOR THE BEARDSLEY ROAD AND 55TH AVENUE DRAINAGE IMPROVEMENT PROJECT.

4. INTERGOVERNMENTAL AGREEMENTS WITH ADOT FOR INFRASTRUCTURE INSTALLATION ALONG LOOP 303

This is a request for City Council to adopt a resolution authorizing the City Manager to enter into two intergovernmental agreements (IGAs) with the Arizona Department of Transportation (ADOT) for installation of infrastructure as part of the Loop 303 Freeway construction project in the amount of \$231,450.

This request supports Council's goal of one community with high-quality services for citizens by improving and providing transportation options within the city.

The Loop 303 Freeway construction project is scheduled to start in 2012 from Camelback Road to Peoria Avenue within the Glendale metropolitan planning area. To facilitate construction phasing ADOT has separated the project into two IGAs, one for the section of Loop 303 from Camelback Road to Glendale Avenue, and a second for the section from Glendale to Peoria Avenues.

The city has requested certain improvements as part of this freeway project, including:

- Conduit and pull boxes along the north side of Northern Avenue for the City's Intelligent Transportation System (ITS);
- Bridge design enhancements to the abutments, wing walls and barriers on Northern Avenue, Northern Parkway, Olive Avenue, Glendale Avenue, and Bethany Home Road on Loop 303; and
- Design and construction of a water line to supply irrigation water for ADOT landscaping along Loop 303.

As set out in these two IGAs, the city will pay ADOT the total sum of \$231,450 for the estimated costs of the city's requested infrastructure.

The proposed infrastructure on Loop 303 will help reduce traffic congestion, provide irrigation for landscaping, and include bridge design features to enhance regional mobility in the West Valley and attract quality development along Loop 303.

Public Input: On May 6, 2010, ADOT staff presented the proposed widening of Loop 303 and concept drawings for proposed landscaping and bridge design to Citizen's Transportation Oversight Commission (CTOC) for their review and input.

On April 14, 2010 and on April 13, 2011, ADOT staff presented proposed improvements on Loop 303 during the annual GO Program meeting.

On March 5, 2010, ADOT staff provided an overview of future Loop 303 construction projects to the CTOC.

The cost for infrastructure installations along Loop 303 from Camelback Road to Glendale Avenue is \$12,743 for a portion of the bridge enhancements and for the water line installation. For the segment between Glendale to Peoria Avenues, the cost is \$218,707 for ITS, water line installation and bridge enhancements. Funds are available in the FY 2011-12 capital improvement plan. The operating costs associated with this project will be absorbed by the GO Transportation Program.

Grants	Capital Expense	One-Time Cost	Budgeted	Unbudgeted	Total
	X		X		\$231,450

Account Name, Fund, Account and Line Item Number:
 Loop 303 Landscape and Design, Account No. 2210-65090-551200, \$231,450

The recommendation is to waive reading beyond the title and adopt a resolution authorizing the City Manager to enter into two intergovernmental agreements with the Arizona Department of Transportation for the installation of infrastructure as part of the Loop 303 Freeway construction project in the amount of \$231,450.

Resolution No. 4534 New Series was read by number and title only, it being A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING AND DIRECTING THE ENTERING INTO OF TWO INTERGOVERNMENTAL AGREEMENTS WITH THE STATE OF ARIZONA, DEPARTMENT OF TRANSPORTATION, FOR ENHANCEMENTS TO LOOP 303.

Mr. Andrew Marwick, a Phoenix resident, spoke on item 4. He noted that the area under discussion along loop 303 was not currently part of Glendale; however could potentially be annexed by Glendale. He explained that loop 303 was dependent on future development to generate traffic since there was nothing there at the moment and was not clear why Glendale was entering into this agreement and spending these funds. He questioned why ADOT was not paying for it and why Glendale was involved since it does nothing for the city.

5. AMENDMENT TO THE INTERGOVERNMENTAL AGREEMENT FOR THE BEARDSLEY ROAD CONNECTOR PROJECT

This is a request for City Council to adopt a resolution authorizing the City Manager to enter into amendment number two to the intergovernmental agreement (IGA) with the Arizona Department of Transportation (ADOT), the Maricopa Association of Governments (MAG), and the City of Peoria for construction of the Beardsley Road Connector project.

This request supports Council’s goal of one community with high-quality services for citizens by improving and providing transportation options within the city.

The Beardsley Connector Project along Loop 101 was completed on May 7, 2011. There are no Glendale funds in this project, however, Glendale is a party to the original IGA and is required to approve all amendments. Glendale has no project responsibilities other than to grant Peoria a permit for routine maintenance and maintenance of traffic control devices within Glendale’s

jurisdiction along the Loop 101 frontage road from 75th Avenue to the Union Hills Drive Traffic Interchange.

An amendment of the approved IGA is required due to changes in maintenance responsibilities from ADOT to the City of Peoria regarding the frontage road between 75th Avenue and Union Hills Drive.

On May 11, 2010, Council approved an amendment to the IGA with ADOT, MAG, and the City of Peoria for changes in funding sources and clarification of responsibilities among other parties in the IGA.

On September 23, 2008, Council approved the original IGA with ADOT, MAG, and City of Peoria for the design and construction of the Beardsley Road Connector Project and the widening of the Union Hills Drive Interchange.

The Beardsley Road Connector Project provides access to Loop 101 from the northern portion of Peoria and the Northwest Valley. This project also improves traffic flow and relieves congestion at 83rd Avenue and Union Hills Drive, the Union Hills Interchange at Loop 101, and 75th Avenue at Loop 101 in Glendale.

The recommendation is to waive reading beyond the title and adopt a resolution authorizing the City Manager to enter into amendment number two to the intergovernmental agreement with the Arizona Department of Transportation, Maricopa Association of Governments, and the City of Peoria for changes in maintenance responsibilities between ADOT and the City of Peoria for the Beardsley Road Connector Project.

Resolution No. 4535 New Series was read by number and title only, it being A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING AND DIRECTING THE ENTERING INTO OF AMENDMENT TWO TO THE INTERGOVERNMENTAL AGREEMENT WITH THE STATE OF ARIZONA, THE MARICOPA ASSOCIATION OF GOVERNMENTS, AND THE CITY OF PEORIA FOR THE BEARDSLEY ROAD CONNECTOR PROJECT.

It was moved by Frate and seconded by Knaack, to approve the recommended actions on Consent Agenda Item Nos. 1 through 5, including the approval and adoption of Resolution No. 4533 New Series, Resolution No. 4534 New Series, and Resolution No. 4535 New Series; and to forward Liquor License Application No. 5-3262 for Arizona Pizza Company to the State of Arizona Department of Liquor Licenses and Control, with the recommendation for approval. The motion carried unanimously.

Mayor Scruggs referred to Mr. Marwick comment. She knew he only lives here part of the year but the loop 303 was voted upon by the voters of Maricopa County in 1985, was not built as we had expected and was re-authorized in the transportation election by the voters of Maricopa County in 2004. It is part of a regional transportation system and people in the west valley are

really pretty happy to finally be getting a transportation corridor so that their area can also prosper with business and industry as the east valley has done.

BIDS AND CONTRACTS

6. AWARD OF BID FOR OCOTILLO ROAD MANHOLE REHABILITATION

Craig Johnson, P.E., Executive Director, Water Services, presented this item.

This is a request for City Council to award a bid and authorize the City Manager to enter into a construction agreement with Southwest Environmental Testing, Inc. in an amount not to exceed \$103,965 for the rehabilitation of nine sewer manholes in Ocotillo Road from 58th Avenue to 63rd Avenue.

This project will support Council’s goal of one community with high-quality services for citizens by maintaining the operational reliability of the city’s wastewater collection system.

The city has identified various sewer manholes in its wastewater collection system in need of rehabilitation. These improvements will ensure the continued operation of the collection system and decrease maintenance issues within the system.

An Invitation to Bid was issued for construction of the project and two bids were received. Southwest Environmental Testing, Inc. submitted the lowest responsive and qualified bid. Construction is scheduled to begin in late January and completion is anticipated by mid-February. During this construction period, the only anticipated impact to the neighborhood will be minor traffic restrictions.

This project will benefit the community by maintaining the integrity of the sanitary sewer system and minimizing potential service interruptions.

Funding is available in the FY 2011-12 capital improvement plan. There are no operating costs associated with this project once it is completed.

Grants	Capital Expense	One-Time Cost	Budgeted	Unbudgeted	Total
	X		X		\$103,965

<u>Account Name, Fund, Account and Line Item Number:</u> Citywide Manhole Rehab, Account No. 2420-63024-550800, \$103,965

The recommendation is to award the bid and authorize the City Manager to enter into a construction agreement with Southwest Environmental Testing, Inc. in an amount not to exceed \$103,965 for the construction of the Ocotillo Road Manhole Rehabilitation project.

Councilmember Clark asked if this was part of a larger work plan to deal with the rehabilitation of the waste water structure or are these repaired as needed. Mr. Craig Johnson, P.E., Executive

Director, Water Services, stated this was part of their overall plan. He added they do a systematic inspection of all their manholes and these were the ones that needed to be fixed at this time.

Vice Mayor Frate wondered what would happen if these manholes were not repaired. Mr. Johnson explained that if they do not keep a close eye on the manholes, they will deteriorate and eat away at the structure which could cause sewer backups in the community.

It was moved by Frate, and seconded by Martinez, to award the bid and authorize the City Manager to enter into a construction agreement with Southwest Environmental Testing, Inc. in an amount not to exceed \$103,965 for the construction of the Ocotillo Road Manhole Rehabilitation project. The motion carried unanimously.

7. SOFTWARE MAINTENANCE AGREEMENT FOR WATER SERVICES DEPARTMENT

Craig Johnson, P.E., Executive Director, Water Services, presented this item.

This is a request for City Council to authorize the City Manager to enter into a software maintenance agreement with GE Fanuc Intelligent Platforms, Inc. in an amount not to exceed \$58,227.14 for the Supervisory Control and Data Acquisition (SCADA) systems at all of the city's water and wastewater treatment plants.

This request supports Council's goal of one community with high-quality services for citizens by ensuring continued performance through SCADA for the water delivery and wastewater collection systems.

The City of Glendale's SCADA system allows plant operators to monitor and control water and wastewater treatment plant processes efficiently and effectively. GE Fanuc Intelligent Platforms, Inc. is the author and copyright holder of this SCADA software and the sole provider of the software maintenance and support services. The Water Services Department has contracted for the software maintenance with GE Fanuc for over five years. The agreement term shall be for one year and is not to exceed \$58,227.14.

On December 3, 2010, the City Manager renewed the software maintenance agreement with GE Fanuc Intelligent Platforms, Inc. in the amount of \$57,781.01 for the SCADA systems at all of the city's water and wastewater treatment plants.

On February 23, 2010, Council authorized the City Manager to enter into a software maintenance agreement with GE Fanuc Intelligent Platforms, Inc. in the amount of \$54,586.87 for the SCADA systems at all of the city's water and wastewater treatment plants.

The SCADA system ensures system integrity and security to aid staff in the production and delivery of high-quality water services to residents and businesses in Glendale.

Funds are available in the FY 2011-12 operating budget of the Water Services Department.

Grants	Capital Expense	One-Time Cost	Budgeted	Unbudgeted	Total
			X		\$58,227.14

Account Name, Fund, Account and Line Item Number:
 Water Services Information Management, Account No. 2360-17120-526800, \$58,227.14

The recommendation is to authorize the City Manager to enter into a software maintenance agreement with GE Fanuc Intelligent Platforms, Inc. in an amount not to exceed \$58,227.14 for the Supervisory Control and Data Acquisition systems.

It was moved by Clark, and seconded by Martinez, to authorize the City Manager to enter into a software agreement with GE Fanuc Intelligent Platforms, Inc. in an amount not to exceed \$58,227.14 for the Supervisory Control and Data Acquisition systems. The motion carried unanimously.

8. APPROVAL OF A PURCHASE OF AUTHENTICATION SECURITY SOFTWARE

Steve Conrad, Police Chief, presented this item.

This is a request for City Council to approve a purchase from Insight Public Sector, Inc. in the amount of \$51,538.84 for two-factor authentication security software equipment.

This request supports Council’s goal of one community committed to public safety by allowing the Police Department to maintain access to state and nationwide criminal justice information systems.

Two-factor authentication equipment is mandatory for the Police Department to maintain their access to the Arizona Criminal Justice Information System (ACJIS). Two-factor authentication equipment assists by ensuring that the person requesting access to the ACJIS system is an authorized user. In order to continue their use of ACJIS, the Police Department must purchase this equipment. The Insight Public Sector quote is based on pricing from the U.S. Communities Government Purchasing Alliance Cooperative Agreement joined by the City of Glendale with Council approval on March 28, 2006.

Funding is available in the FY 2011-12 RICO funds for the purchase of two-factor authentication security software equipment.

Grants	Capital Expense	One-Time Cost	Budgeted	Unbudgeted	Total
			X		\$51,538.84

Account Name, Fund, Account and Line Item Number:
 RICO, Account No. 1860-32030-551200, \$51,538.84

The recommendation is to approve a purchase from Insight Public Sector, Inc. in the amount of \$51,538.84 for two-factor authentication security software equipment.

Councilmember Clark inquired if the two-factor authentication equipment meant that the user had to go through two separate steps to log into the system or did it mean for two people. Steve Conrad, Police Chief, explained that it was a two-step process. The user will be required to enter their user name, their system ID, and then a second ID or password.

It was moved by Martinez, and seconded by Knaack, to approve a purchase from Insight Public Sector, Inc. in the amount of \$51,538.84 for two-factor authentication security software equipment. The motion carried unanimously.

ORDINANCES

9. INTER TECHNOLOGIES, INC. LEASE AGREEMENT

Dave McAlindin, Assistant Economic Development Director, presented this item.

This is a request for City Council to adopt an ordinance authorizing the City Manager to enter into a lease agreement with Inter Technologies, Inc. for the property located at 5754 West Glenn Drive, the former Bead Museum.

This request supports Council's goal of one community with a vibrant city center by bringing a new paying tenant to the city-owned former Bead Museum building located in the Centerline District. The new tenant will attract visitors to the downtown, supporting local business, while further enhancing Centerline as a destination by bringing a new mix of live music and performance opportunities to downtown Glendale.

At the May 17, 2011 City Council Workshop, staff provided a Centerline project update. During that presentation, Council directed city staff to actively seek a tenant for the former Bead Museum site that would help support and grow the arts in downtown Glendale.

Inter Technologies, Inc. is a national company providing audio/video technology services to both private and public entities, including the Department of the Navy, Air Force, as well as a host of universities throughout the country. They also recently completed work at Luke Air Force Base. Inter Technologies, Inc. has more than 50 employees nationwide, has been in business since 2000 and is ranked by Inc. Magazine as one of the fastest growing women-owned businesses in the country. Inter Technologies, Inc. is the parent company of Jivemind, an organization specifically focused on promoting and growing the music community in the valley by working to bring musicians and opportunities together. Inter Technologies, Inc. will be the party signing this lease and will also be operating a small office out of this location.

Jivemind was previously located at 800 North 1st Avenue near downtown Phoenix before they outgrew that space. Jivemind is now seeking a new, larger location where they will be better able to partner with the local community and provide an atmosphere where musicians of all ages can enhance their musical abilities and develop a passion and appreciation for all styles of music

and culture. Further, Jivemind's mission for their Glendale headquarters is to create an environment that will provide existing musicians with a place to practice, obtain lessons and record music. Jivemind will also work to bring music to underprivileged youth by providing both instruments and lessons for free or at a discounted rate.

Jivemind and its parent company, Inter Technologies, Inc. will enter into a one-year lease agreement with the city, with a five-year annual renewal option. Additionally, Jivemind will at its sole cost, pay for all tenant improvements planned for the city-owned building, estimated at no more than \$20,000. Jivemind will be installing soundproof training and practice rooms, along with a recording studio to enable them to service multiple musicians simultaneously. They will also be installing additional soundproofing in the showroom to allow for acoustically significant live music performances.

As part of the lease agreement, Jivemind will also be providing 38 new downtown events each calendar year. These events will be music, art, and culturally oriented bringing new visitors to downtown Glendale and patrons to our local businesses. Jivemind will partner with youth groups and local schools to provide musical services that will directly benefit the community. Inter Technologies, Inc. will staff an office at this location bringing a new technology oriented business to Glendale.

This one-year lease agreement with a five-year annual renewal option will generate \$17,500 annually in lease revenue to the city. Lease revenue from this agreement will be deposited into the General Fund.

The recommendation is to waive reading beyond the title and adopt an ordinance authorizing the City Manager to enter into a lease agreement with Inter Technologies, Inc. for the term of one year; and further authorizing the City Manager to extend the lease, at his discretion, in accordance with its terms.

Councilmember Clark inquired as to the hours of operation for this tenant. Mr. Dave McAlindin, Assistant Economic Development Director, stated the hours of operation were still being negotiated. Councilmember Clark asked if there might be evening hours available. Mr. McAlindin replied he believes they were working on both evening and day hours.

Councilmember Lieberman stated he was delighted with this venture. He was pleased they will present 38 events in the downtown area which will support the restaurant and merchant community as well as attract many visitors and patrons.

Vice Mayor Frate added he was also very excited this was coming to the downtown area. He indicated he was pleased with the idea of having a recording studio and having young people being mentored by other musicians was very exciting. He also liked the part that they will be reaching out to local schools and businesses. He thanked staff for being able to put this together.

Councilmember Knaack stated this was a really good news item, especially for Centerline. She wanted to highly praise the Economic Development Department for their work on this item. She added this was greatly needed in the downtown area.

Mayor Scruggs said in addition to thanking Mr. McAlindin and the department for doing such a creative job – and asked if there were any representatives from Jivemind or Inter Technologies in the audience this evening.

Mr. McAlindin responded yes.

Mayor Scruggs said the City Council just wants to say welcome and we are excited that Jivemind is coming as you can tell from hearing all of the Councilmember’s comments. What a great addition this is going to be to our downtown and we are looking forward to it starting up – pretty quickly, isn’t it? They are going to open up in a few months? Yes? Thank you.

Ordinance No. 2793 New Series was read by number and title only, it being AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING AND DIRECTING THE MAYOR AND/OR CITY MANAGER AND CITY CLERK TO EXECUTE A LEASE AGREEMENT WITH INTER TECHNOLOGIES, INC. FOR THE BUILDING LOCATED AT 5754 WEST GLENN DRIVE, GLENDALE, ARIZONA; AND ORDERING THAT THE LEASE AGREEMENT BE RECORDED.

It was moved by Knaack, and seconded by Lieberman, to approve Ordinance No. 2793 New Series. Motion carried on a roll call vote, with the following Councilmembers voting “aye”: Clark, Lieberman, Knaack, Martinez, Frate, and Scruggs. Members voting “nay”: none.

10. ARIZONA PUBLIC SERVICE COMPANY EASEMENT AT GLEN HARBOR BOULEVARD, SOUTH OF GLENDALE AVENUE

Greg Rodzenko, P.E., Acting City Engineer, presented this item.

This is a request for City Council to adopt an ordinance granting an easement in favor of Arizona Public Service Company (APS) for underground electrical lines along Glen Harbor Boulevard, south of Glendale Avenue.

This request supports Council’s goal of one community with quality economic development by enabling APS’ continued service to Western Maricopa Education Center (WestMEC) while protecting its existing service line to the Glendale Municipal Airport.

This easement will allow APS to operate and maintain a new electrical line providing service to the WestMEC campus, as well as existing electrical lines providing service to other buildings on the airport property, along Glen Harbor Boulevard.

The recommendation is to waive reading beyond the title and adopt an ordinance authorizing the City Manager to execute an easement in favor of Arizona Public Service Company for underground electrical lines along Glen Harbor Boulevard, south of Glendale Avenue.

Ordinance No. 2794 New Series was read by number and title only, it being AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING THE CITY MANAGER TO EXECUTE A UTILITY EASEMENT IN FAVOR OF ARIZONA PUBLIC SERVICE COMPANY ALONG GLEN HARBOR BOULEVARD, SOUTH OF GLENDALE AVENUE IN GLENDALE, ARIZONA; AND ORDERING THAT A CERTIFIED COPY OF THIS ORDINANCE BE RECORDED.

It was moved by Clark, and seconded by Lieberman, to approve Ordinance No. 2794 New Series. Motion carried on a roll call vote, with the following Councilmembers voting “aye”: Clark, Lieberman, Knaack, Martinez, Frate, and Scruggs. Members voting “nay”: none.

11. AUTHORIZATION TO REFUND/RESTRUCTURE MUNICIPAL PROPERTY CORPORATION EXCISE TAX REVENUE BONDS

Diane Goke, Finance Director, presented this item.

This is a request for City Council to adopt an ordinance authorizing the refunding/restructuring of a portion of the maturities of the Municipal Property Corporation (MPC) 2003, 2004, and 2006 excise tax revenue bonds and authorizes the issuance of the bonds in an amount not to exceed \$70 million. This action will not materially increase the city’s overall amount of MPC debt.

This request is consistent with Council’s goal of one community that is fiscally sound by allowing the city to take advantage of savings offered in the bond market which will lower debt service payments related to the specified MPC excise tax revenue bonds.

The city can issue MPC bonds to fund large projects and amenities for the community. This type of debt is typically repaid with excise tax revenue which is also the main source of revenue for the city’s General Fund. Due to the sluggish economy and the constraints it has created for the operating budget, staff has been exploring refinancing options for the city’s MPC debt in an effort to reduce debt service payments made from the operating budget and result in overall savings in debt service payments.

Refunding/restructuring a portion of the 2003, 2004, and 2006 excise tax revenue bonds will result in an approximate \$5 million reduction in debt service payments made annually from the General Fund over the next three years and will have a net present value savings of approximately \$90,000 over the life of the bonds. This action will not materially increase the city’s overall amount of MPC debt.

At the January 3, 2012 Council Workshop, staff presented this item to Council and Council directed that this MPC refunding option be brought to an evening meeting.

Refunding/restructuring the referenced MPC bonds will result in an annual savings to the General Fund in the amount of approximately \$5 million dollars over the first three years thus reducing the debt payments made from the city’s operating budget.

The recommendation is to waive reading beyond the title and adopt an ordinance authorizing the refunding/restructuring of the MPC excise tax revenue bonds and authorize the issuance of the bonds in an amount not to exceed \$70,000,000.

Councilmember Lieberman asked what the interest rates will be on the \$70 million worth of bonds. Diane Goke, Finance Director, noted that as of today, they were between 2.5 and 3.0 percent. Councilmember Lieberman asked what companies will be used to sell these bonds. Ms. Goke stated the underwriter will be Robert W. Baird and Company. She explained that the current interest rate on these bonds was between 2 ½ and 5 percent. These were the 2003 and 2006 bonds. Councilmember Lieberman asked what was done with the funding from these two bonds. Ms. Goke noted it was primarily for Cabela's infrastructure and for the Regional Public Training Facility. Councilmember Lieberman requested a list of who would eventually buy the bonds and in what quantities. Ms. Goke explained that Robert W. Baird and Company will be the underwriter; however, the bonds will eventually go on the open market. Therefore, it was impossible to get a list of all the people who bought them. Mr. Art Lynch explained how the selling and buying bond market worked.

Mayor Scruggs said Mr. Thruston has asked to speak on this item and asked him to come forward.

Arthur Thruston, a Cactus resident, commented on his business endeavors, some of which were prosperous and some not prosperous. He noted that debt restructuring in business was refinancing. He read from an article in the Glendale News referencing refinancing and restructuring in Glendale and how it was not working to the city's benefit since you end up paying more at the end. He also discussed how the Council was in favor of selling city assets as a possible revenue generator for the city. He quoted the Mayor saying that she has asked for a list of city assets and never received it.

Mayor Scruggs said before we move forward, Mr. Thruston brought to her attention explanations that were given when Council talked about this last Tuesday – that she would like Ms. Goke to repeat if they are accurate. She asked Ms. Goke if, specifically, the amount of the debt will increase at all by this action.

Ms. Goke stated that as was explained last week; the total amount of the debt is not going to increase materially; however, they will obviously have some closing costs associated with it.

Mayor Scruggs said so when Mr. Thruston brings up the aspect – of paying more at the end- that the payment gets larger later, she understood it doesn't change the amount of the debt, it changes the way in which it is paid. Would that be an accurate statement?

Ms. Goke replied yes.

Mayor Scruggs said then what staff did was to do a present value analysis based on the best information they have – of course staff doesn't know the exact rates and the exact closing costs until the end. But what Ms. Goke told us was that this came out \$90,000 to the good for the city,

it might be \$85,000 or \$97,000 whatever, but that the debt did not increase in any way – the way in which the city pays it will be different. So there will be cash freed up in the early years and there will be a slight overall benefit to the city by doing this. Am I stating this correctly?

Ms. Goke stated she was correct.

Mayor Scruggs said she thought it's important and the – Ms. Goke said it very well last week, and she thinks it's good for the viewers to hear it again.

Councilmember Lieberman asked if they already had a list of what the city was paying off when they receive this money. Ms. Goke explained that as mentioned earlier, they will be paying off a portion of the maturities of the 2003 and 2006 MPC bonds. She added that when the deal was complete it will be public record.

Ordinance No. 2795 New Series was read by number and title only, it being AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, (1) AUTHORIZING THE EXECUTION AND DELIVERY OF A GROUND LEASE AND A TENTH SUPPLEMENT TO THE SERIES 1999 LEASE AGREEMENT WITH THE CITY OF GLENDALE MUNICIPAL PROPERTY CORPORATION RELATING TO THE FINANCING OF A CONVENTION CENTER, MEDIA CENTER, PARKING FACILITIES AND OTHER PUBLIC INFRASTRUCTURE; (2) PLEDGING CERTAIN EXCISE TAXES AND RECEIPTS IMPOSED OR RECEIVED BY THE CITY; (3) APPROVING THE FORM OF AND REQUESTING THE EXECUTION AND DELIVERY BY CITY OF GLENDALE MUNICIPAL PROPERTY CORPORATION OF A GROUND LEASE, A SERIES 2012 TENTH SUPPLEMENTAL TRUST INDENTURE IN ONE OR MORE SERIES OF BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$70,000,000, SUCH TENTH SUPPLEMENT TO LEASE AGREEMENT, A DEPOSITORY TRUST AGREEMENT AND A PURCHASE AGREEMENT WITH RESPECT TO THE SALE OF SUCH BONDS; (4) DELEGATING TO THE CITY MANAGER OR THE FINANCE DIRECTOR OF THE CITY THE AUTHORITY TO DESIGNATE BY SERIES THE FINAL PRINCIPAL AMOUNT, MATURITIES, INTEREST RATES AND OTHER MATTERS WITH RESPECT TO SUCH BONDS; (5) AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS ORDINANCE, INCLUDING THE EXECUTION OF CERTAIN DOCUMENTS AND THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT; AND (6) DECLARING AN EMERGENCY

It was moved by Frate, and seconded by Knaack, to approve Ordinance No. 2795 New Series. Motion carried on a roll call vote, with the following Councilmembers voting “aye”: Clark, Lieberman, Knaack, Martinez, Frate, and Scruggs. Members voting “nay”: none.

12. AUTHORIZATION TO REFUND/RESTRUCTURE WATER AND SEWER REVENUE OBLIGATIONS

Diane Goke, Finance Director, presented this item.

This is a request for City Council to adopt an ordinance authorizing the refunding/restructuring of a portion of the maturities of the 2003 and 2006 Water and Sewer Revenue Obligations and authorizing the issuance of the obligations in an amount not to exceed \$99 million. This action will not materially increase the city's overall amount of Water and Sewer debt.

This request is consistent with Council's goal of one community that is fiscally sound by allowing the city to take advantage of savings offered in the bond market that will lower debt service payments related to the specified Water and Sewer Revenue debt.

The city can issue Water and Sewer Revenue Obligations to fund essential infrastructure for the Water and Sewer system. This type of debt is typically repaid with user fees directly related to providing water and sewer services to system users. Due to the sluggish economy and the constraints it has created for the fund, staff has been exploring refinancing options for the city's Water and Sewer debt in an effort to reduce debt service payments made from the Water and Sewer budget and result in overall savings in debt service payments.

Refunding/restructuring a portion of the 2003 and 2006 Water and Sewer Revenue Obligations will result in an approximate \$2.5 million reduction in debt service payments made annually from the Water and Sewer Fund over the next three years and will result in no rate increases in the next fiscal year. This action will not materially increase the city's overall amount of Water and Sewer debt.

As part of this transaction, the city will repay the Water Infrastructure Financing Authority (WIFA) loans.

At the January 3, 2012 Council Workshop, staff presented this item to Council and Council directed that this Water and Sewer refunding/restructuring option be brought to an evening meeting.

Refunding/restructuring the referenced Water and Sewer Revenue Obligations will result in an annual savings to the Water and Sewer fund of approximately \$2.5 million dollars per fiscal year over the first three years thus resulting in no rate increase for the next fiscal year.

The recommendation is to waive reading beyond the title and adopt an ordinance authorizing the refunding/restructuring of the Water and Sewer Revenue Obligations and authorize the issuance of the obligations in an amount not to exceed \$99,000,000.

Councilmember Lieberman asked if the same company will be handling the sale of this item. Diane Goke, Finance Director, stated he was correct. Councilmember Lieberman inquired if the \$25 million borrowed was ever paid back. Ms. Goke explained that amount was borrowed from the enterprise fund and the majority came out of the land-fill fund. She noted the payments for that amount were being paid back from the general fund over the next 20 years. Councilmember Lieberman asked what were the interest and payments. Ms. Goke stated it was approximately 3% and the payments were \$1 million a year. Mr. Horatio Skeete, Assistant City Manager, stated the schedule for that payment was included in the city's financial statements and has been

published. He will be happy to make that report available to them and it will answer many of their questions.

Mayor Scruggs asked Mr. Skeete to send a copy of that to everybody. When did that start up? That transfer? Did the city have it in this year's budget? That transfer from the general fund?

Mr. Skeete stated that schedule was just established this year. Therefore, the next payment will be coming up in the next budget year.

Councilmember Lieberman asked where he should expect to see it in the next budget book when discussing this matter in a couple of months. Mr. Skeete explained it would be part of the transfers and debt service payments that will be included in staff presentation.

Councilmember Clark remarked that she believes the \$25 million from the enterprise fund was discussed during their last budget cycle. Mr. Skeete stated she was correct. The second payment to the National Hockey League was budgeted in this year's budget. However, the payments for the original \$25 million loan were not.

Mayor Scruggs said she thought that she'd heard an answer to a question that was different – she thought Councilmember Clark asked - did Council and staff discuss that the city was going to set up an additional million dollar transfer each year out of the general fund at our last budget session in March of 2011? Mayor Scruggs said she believes she heard Mr. Skeete answer that Council and staff discussed having a second payment of \$25 million to the National Hockey League but that this repayment of a million whatever came out of the general fund, is something new. Can you clarify? What did we discuss last March?

Mr. Skeete explained that the discussion last March was to incorporate the \$25 million management fee into the operating budget of this fiscal year. However, the repayment structure for the original \$25 million of the year before was not done. He restated that the schedule was just established this year. Therefore, the next payment will be incorporated into this year's budget.

Mayor Scruggs said so we did not discuss it in March of 2011 that the city was going to transfer \$1 million something dollars every year for 20 years into this sanitation contingency fund?

Mr. Skeete replied no. Staff recently acknowledged that this needed to be done and have just come up with the plan and will now be included in the budget coming forward for this year.

Mayor Scruggs said so when we have the budget workshops for 2012/2013 budget, Council will see a new transfer of \$1 million something dollars.

Mr. Skeete explained it was to cover the debt for the first \$25 million dollars that was borrowed from the enterprise fund.

Mayor Scruggs said but Council did not have this discussion while you were gone last week at our workshop on this item. And it actually came out of Councilmember Lieberman's questions

today. So, she just wants to clarify, it's the first time Council is hearing about this new plan, this new repayment plan.

Mayor Scruggs called Mr. Thruston forward to make his comments.

Arthur Thruston, a Cactus resident, commented on the \$25 million dollars used for the National Hockey League. He wondered how the city would be able to pay off a \$25 million dollar debt at a million dollars a year for 20 years. He remarked on the city's assurance that they would eventually receive all this money back. He noted they will not be able to do it. As far as city assets, he was prepared to offer \$5,000 for the Glendale City Council as an asset of the city with the knowledge that he will also give out a prize of \$50,000 for the Council. He will offer also to have a performance bond. He stated this was real and was making an offer tonight for their acceptance.

Ordinance No. 2796 New Series was read by number and title only, it being AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE AGREEMENT, A SUPPLEMENT TO THE TRUST AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT, A DEPOSITORY TRUST AGREEMENT AND, IF REQUIRED, AN OBLIGATION PURCHASE CONTRACT; APPROVING A PRELIMINARY OFFICIAL STATEMENT; APPROVING THE ISSUANCE AND SALE OF NOT TO EXCEED \$99,000,000 SENIOR LIEN WATER AND SEWER REVENUE REFUNDING OBLIGATIONS, SERIES 2012, WHICH MAY BE IN ONE OR MORE SERIES, EVIDENCING A PROPORTIONATE INTEREST OF THE OWNERS THEREOF IN THE PURCHASE AGREEMENT; DELEGATING THE DETERMINATION OF CERTAIN PROVISIONS; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTION CONTEMPLATED BY THIS ORDINANCE; AND DECLARING AN EMERGENCY.

It was moved by Martinez, and seconded by Knaack, to approve Ordinance No. 2796 New Series. Motion carried on a roll call vote, with the following Councilmembers voting "aye": Clark, Lieberman, Knaack, Martinez, Frate, and Scruggs. Members voting "nay": none.

REQUEST FOR FUTURE WORKSHOP AND EXECUTIVE SESSION

It was moved by Frate, and seconded by Martinez, to hold a City Council Workshop at 1:30 p.m. in Room B-3 of the City Council Chambers on Tuesday, January 17, 2012, to be followed by an Executive Session pursuant to A.R.S. 38-431.03. The motion carried unanimously.

MOTION TO EXCUSE COUNCILMEMBER ALVAREZ

It was moved by Frate, and seconded by Lieberman, to excuse Councilmember Alvarez from tonight's Council meeting. The motion carried unanimously.

CITIZEN COMMENTS

Andrew Marwick, a Phoenix resident, commented on the freeway and highway issues concerning Glendale. He reiterated his concern with the city spending money on loop 303 when it does not benefit the city.

Arthur Thruston, a Cactus resident, apologized for his rude response tonight when Vice Mayor Frate tried to correct his mis-reporting. He would also like to apologize to Councilmember Alvarez for former Councilmember Goulet's discourteous remarks in the Glendale Star. He remarked about and read from an article on the Fiesta Bowl and how successful it was for the valley. He noted that the article did not mention Glendale as benefiting from this event. He would like to know how much money Glendale made from the Fiesta Bowl.

COUNCIL COMMENTS AND SUGGESTIONS

Councilmember Lieberman stated that the \$169 million that was approved in the sale of bonds are for three years. The interest will generate approximately \$15 million or \$5 million a year. He noted he still has some concerns of what happens after the three years were up. He hopes the interest was not higher in three years and the city will come out ahead. He reminded everyone of the Glendale Glitters and Glow event this weekend. He stated he was proud to be a resident of Glendale and expects to meet and see everyone at this fabulous event.

Vice Mayor Frate commended the Facilities Management of Glendale for the upgraded lighting done at the city hall parking garage. This upgrade was paid for by stimulus money from the federal government. He reported that the Glendale Airport restaurant was now open for business. He also mentioned a new business opening its doors on Bell Road called Sun City RV. He invited everyone to his discussion meeting being held at 5:30 p.m. at Arrowhead Towne Center on February 15th. He also reminded everyone to watch children around water.

Mayor Scruggs said Mr. Marwick obviously knows quite a bit about engineering, transportation and so forth. And she would just like to encourage him to visit the website for the Maricopa Association of Governments, find out when the Transportation Planning Commission meetings are and also the Regional Council meetings and also the State's Transportation Board meetings because he was asking Council to stop a project that has been voted on by all of these other entities in trying to build a Regional Transportation System. So, if he wants to get in the front end of projects that he disagrees with, that's where he needs to start. Thank you all for your attendance this evening, the meeting is adjourned.

ADJOURNMENT

There being no further business, the meeting was adjourned at 8:29 p.m.

Pamela Hanna

Pamela Hanna - City Clerk