



**MINUTES OF THE
GLENDALE CITY COUNCIL MEETING
Council Chambers
5850 West Glendale Avenue
January 24, 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: Norma S. Alvarez, Joyce V. Clark, Yvonne J. Knaack, H. Philip Lieberman and Manuel D. Martinez.

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

The Mayor led the audience in the Pledge of Allegiance and offered time for a moment of reflection.

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

A statement was filed by the City Clerk that the 4 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 JANUARY 10, 2012 CITY COUNCIL MEETING

It was moved by Clark, and seconded by Lieberman, to dispense with the reading of the minutes of the January 10, 2012 Regular City Council meeting, as each member of the Council had been provided copies in advance, and approve them as written. The motion carried unanimously.

BOARDS, COMMISSIONS AND OTHER BODIES

BOARDS, COMMISSIONS AND OTHER BODIES

Councilmember Joyce Clark presented this item.

This is a request for City Council to approve the recommended appointments to the following boards, commissions and other bodies that have a vacancy or expired term and for the Mayor to administer the Oath of Office to those appointees in attendance.

Citizens Bicycle Advisory Committee

Gail Hildebrant	Cholla	Appointment	02/12/2012	02/12/2014
J. Michael Wood	Barrel	Reappointment	02/12/2012	02/12/2014

Glendale Municipal Property Corporation

Leland Peterson – Chair	Cactus	Reappointment	01/24/2012	12/01/2012
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Personnel Board

Anthony Passalacqua	Cholla	Appointment	02/12/2012	02/12/2014
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The recommendation is to make appointments to the boards, commissions and other bodies and administer the Oaths of Office.

It was moved by Clark, and seconded by Frate, to appoint Gail Hildebrant and J. Michael Wood to the Citizens Bicycle Advisory Committee; Leland Peterson to the Glendale Municipal Property Corporation; and Anthony Passalacqua to the Personnel Board, for the terms listed above. The motion carried unanimously.

Mayor Scruggs called the appointees forward and issued the Oath of Office.

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 through 3 and Ms. Pamela Hanna, City Clerk, read consent agenda resolution item numbers 4 and 5 by number and title.

1. LIQUOR LICENSE NO. 5-4682, WINCO FOODS #109

This is a request for City Council to approve a person-to-person, location-to-location transferable series 9 (Liquor Store - All Liquor) license for WinCo Foods #109 located at 5850 West Bell Road. The Arizona Department of Liquor Licenses and Control application (No. 09070122) was submitted by Nicholas Carl Guttilla.

The location of the establishment is 5850 West Bell Road in the Sahuaro District. The property is zoned C-2 (General Commercial). The population density within a one-mile radius is 12,577. This series 9 is a new license, therefore, the approval of this license will increase the number of liquor licenses in the area by one. The current number of liquor licenses within a one-mile radius is as listed below.

Series	Type	Quantity
06	Bar - All Liquor	7
07	Bar - Beer and Wine	3

09	Liquor Store - All Liquor	3
10	Liquor Store - Beer and Wine	4
12	Restaurant	21
	Total	38

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. LIQUOR LICENSE NO. 5-4713, CLEOPATRA

This is a request for City Council to approve a new, non-transferable series 12 (Restaurant) license for Cleopatra located at 5686 West Bell Road. The Arizona Department of Liquor Licenses and Control application (No. 12078950) was submitted by Antone Faye Youssef.

The location of the establishment is 5686 West Bell Road in the Sahuaro District. The property is zoned C-2 (General Commercial). The population density within a one-mile radius is 12,101. This series 12 is a new license, therefore, the approval of this license will increase the number of liquor licenses in the area by one. The current number of liquor licenses within a one-mile radius is as listed below.

Series	Type	Quantity
06	Bar - All Liquor	8
07	Bar - Beer and Wine	3
09	Liquor Store - All Liquor	3
10	Liquor Store - Beer and Wine	4
12	Restaurant	20
	Total	38

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.

3. FINAL PLAT APPLICATION FP11-01: WESTGLEN VILLAS - 7290 WEST GLENDALE AVENUE

This is a request for City Council to approve an amendment to the Final Plat for Westglen Villas. The amendment to the final plat would allow the applicant to complete the build out of the existing subdivision.

This request supports Council's goal of one community with strong neighborhoods by encouraging in-fill development.

The subdivision is located at 7290 West Glendale Avenue, which is near other single-family neighborhoods and a high school. Westglen Villas is an existing 152 lot single-family subdivision that was developed as a Use Benefit Easement, otherwise known as a z-lot configuration. The homebuilder D.R. Horton, Inc. plans to finish the subdivision and proposes to amend the configuration of the final 32 lots to be rectangular in shape.

On May 23, 2006, Council approved Final Plat FP05-07. The General Plan Amendment application GPA04-11 and rezoning application ZON04-20 were approved by Council on September 27, 2005.

Approval of this final plat will allow the completion of Westglen Villas on an in-fill property using existing infrastructure at this location.

The recommendation is to approve Final Plat application FP11-01.

CONSENT RESOLUTIONS

4. DECLARATION OF PUBLIC RECORD: ZONING TEXT AMENDMENT - ZTA09-01

Discussion of agenda item number 4 was removed from consent agenda to allow it to be heard with item number 7. The discussion on moving item number 4 occurred at the end of the consent agenda prior to the motion.

5. INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF PHOENIX FOR FIXED ROUTE BUS SERVICES

This is a request for City Council to adopt a resolution authorizing the City Manager to enter into Contract Change Order No. 4 to the intergovernmental agreement (IGA) with the City of Phoenix for the extension of bus service on 59th Avenue in the City of Glendale.

This action supports Council's goal of one community with high-quality services for citizens by making transportation options more convenient for residents and visitors.

Fixed route bus service in Glendale is provided through an IGA with the City of Phoenix. This change order will modify the IGA and reflects an adjustment to Route 59 which provides service along 59th Avenue to Utopia Road. Route 59 will now extend further north and provide transit access to job centers in the vicinity of 59th Avenue and Beardsley Road. The extension of this route was made possible by a federal grant under the Job Access and Reverse Commute (JARC) program.

The grant will provide federal funding in the amount of \$400,000 over a one year term which offsets the \$22,846 cost increase due to the route extension. The total cost for the fixed route bus service will increase from \$4,006,231 to \$4,029,077. This grant will also be used in part to cover transit revenue shortfalls from state and regional sources.

On May 24, 2011, Council approved an annual IGA with the City of Phoenix for fixed route services.

This action will extend bus service to an area currently not served with transit. Fixed route bus service is provided to more than two million riders in Glendale annually.

Funds for Contract Change Order No. 4 are available in the 2011-12 GO Transportation Program operating budget, and the cost is an estimate provided by the City of Phoenix.

Grants	Capital Expense	One-Time Cost	Budgeted	Unbudgeted	Total
X			X		\$4,029,077

<u>Account Name, Fund, Account and Line Item Number:</u> Fixed Route, Account No. 1660-16540-518200, \$4,029,077
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The recommendation is to waive reading beyond the title and adopt a resolution authorizing the City Manager to enter into Contract Change Order No. 4 to the intergovernmental agreement with the City of Phoenix for the extension of bus service on 59th Avenue in the City of Glendale.

Resolution No. 4537 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 CONTRACT CHANGE ORDER NO. 4 TO THE INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF PHOENIX FOR THE OPERATION OF FIXED ROUTE BUS SERVICES IN THE CITY OF GLENDALE.

4. DISCUSSION OF MOVING - DECLARATION OF PUBLIC RECORD: ZONING TEXT AMENDMENT - ZTA09-01

Mayor Scruggs said she had concerns with the zoning text amendment ZTA09-01. She knew that No. 7 on the Agenda was consideration of the ordinance. She believed the reason why Council is considering this resolution has to do with the new state law and the new way of doing things, but she would like to ask staff's directions since she did have concerns with the zoning text amendment. She asked if this is the appropriate time to ask those questions because if we pass the resolution then the ordinance follows.

Craig Tindall, City Attorney suggested they take items four and seven together.

Mayor Scruggs said okay, but this is the new way of doing things by the new state law. Is that correct?

Mr. Tindall replied yes.

Mayor Scruggs said this might create issues in the future so maybe we should think about this. Do I need the Council to vote to postpone number four to consider it with seven? Mr. Tindall replied no and added they can simply move it down on the agenda.

It was moved by Frate and seconded by Clark, to approve the recommended actions on Consent Agenda Item Nos. 1 through 3 and 5, including the approval and adoption of Resolution No. 4537 New Series; and to forward Liquor License Applications No. 5-4682 for Winco Foods #109 and No. 5-4713 for Cleopatra, to the State of Arizona Department of Liquor Licenses and Control, with the recommendation for approval. The motion carried unanimously.

BIDS AND CONTRACTS

6. DISCOUNT PRESCRIPTION CARD PROGRAM

Jim Colson, Deputy City Manager, presented this item.

This is a request for City Council to enter into a professional services agreement with Financial Marketing Concepts, Inc. to implement their discount prescription card program, the Coast2Coast Rx Card. The program will enable Glendale residents to receive discounts on prescriptions and other medical services. The agreement is for an initial one year term with an annual option to renew for four additional years.

This item addresses Council's goal of one community with high-quality services for citizens by offering a program which will provide citizens the opportunity to save money on their prescriptions.

In September 2011, a Request for Proposals (RFP) was released to find a qualified vendor to implement and manage a discount drug card program in Glendale. Financial Marketing Concepts, Inc. was selected from the two responses received. Financial Marketing Concepts, Inc. currently manages prescription discount card programs for 110 county and city governments across the country commonly known as the Coast2Coast Rx Card discount program. Locally, Financial Marketing Concepts, Inc. began this program with the City of Phoenix in November 2010. The discount prescription card program will help residents in Glendale save money on their prescription medications if their prescriptions are not covered by insurance or other medical services. In addition, the program provides discounts for other medical services such as dental, vision, hearing, as well as lab and imaging tests. The card also provides discounts for many pet prescriptions as well.

Residents will be able to sign up for and receive the prescription cards at 44 participating pharmacies throughout the city, as well as at any other locations that the city chooses, such as

libraries, parks and recreation centers, city-owned golf pro shops, city hall, and other public facilities, such as the Community Action Program office. The city will coordinate with Coast2Coast Rx on outreach and publicity to make Glendale residents aware of the program. The city will refer any program questions or issues to Coast2Coast Rx Card and will also notify them when cards at any of the city locations need to be restocked.

On May 1, 2011, Council provided direction to staff to move forward with a request for proposal process for a prescription card program.

This item was discussed at the March 2, 2010, and December 7, 2010, City Council Workshops under Council Items of Special Interest.

On November 17, 2009, Councilmember Joyce Clark brought this forward as a Council Item of Special Interest.

The Coast2Coast Rx Card discount program will have a great benefit for residents of Glendale as it will help reduce the cost of prescriptions and other medical services. This will be especially beneficial for those who may either have inadequate insurance or are struggling financially and have difficulty with the cost of their prescriptions.

There is no budgetary impact or cost to the City of Glendale for the Coast2Coast Rx Card discount program. For each prescription filled using a Glendale prescription card, the city will receive \$1.25. Once the program is implemented, the city will receive approximately \$3,000 a month in revenues. These funds will be deposited into the General Fund.

The recommendation is to authorize the City Manager to enter into a professional services agreement with Financial Marketing Concepts, Inc., and further authorize the City Manager to extend the agreement, at his discretion, in accordance with its terms.

Councilmember Clark asked if people had to qualify according to their income. Jim Colson, Deputy City Manager, stated they did not. Councilmember Clark asked if the cards could only be used in Glendale or could they use them anywhere. Mr. Colson replied they could use the cards anywhere. Councilmember Clark stated she greatly appreciated staff's work on this initiative. She introduced this item in 2009 and was delighted it had come to fruition with a drug prescription card program for their residents.

It was moved by Clark, and seconded by Lieberman, to authorize the City Manager to enter into a professional services agreement with Financial Marketing Concepts, Inc., and further authorize the City Manager to extend the agreement, at his discretion, in accordance with its terms. The motion carried unanimously.

PUBLIC HEARING - ORDINANCES

4. DECLARATION OF PUBLIC RECORD: ZONING TEXT AMENDMENT - ZTA09-01

Jon Froke, AICP, Planning Director, presented this item.

This is a request for City Council to adopt a resolution declaring Zoning Text Amendment ZTA09-01 as a public record.

Declaring this amendment as a public record supports Council's goal of one community that is fiscally sound by reducing printing and publication costs.

A.R.S. § 9-802 allows a city or town to enact the provisions of a text amendment by reference without publishing the full text of the Zoning Ordinance. Instead, the city publishes a notice in the newspaper three times and keeps three copies of the text on file with the City Clerk.

In addition, hard copies of the full text are posted outside the Council Chambers, which is the official posting site for the City of Glendale. This will require adoption by the Council of a resolution. At the same evening meeting, Council will be asked to adopt the ordinance for Zoning Text Amendment ZTA09-01.

The recommendation is to waive reading beyond the title and adopt a resolution declaring Zoning Text Amendment ZTA09-01 as a public record.

Resolution No. 4536 New Series was read by number and title only, it being A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, DECLARING AS A PUBLIC RECORD THAT CERTAIN DOCUMENT FILED WITH THE CITY CLERK OF THE CITY OF GLENDALE AND ENTITLED "ZONING TEXT AMENDMENT ZTA09-01."

7. ZONING TEXT AMENDMENT - ZTA09-01: (ORDINANCE) (PUBLIC HEARING REQUIRED)

Mayor Scruggs said Mr. Froke is saying the resolution only sets – opens up the discussion if the resolution was adopted then the zoning text amendment was not adopted in the form that it is presented this evening.

Jon Froke, AICP, Planning Director, stated correct, the next agenda item was where they get into the nuts and bolts of the ordinance as they adopt the zoning text amendment by ordinance.

Councilmember Clark remarked that this resolution only makes it a public record and enables the public record to be discussed. Mr. Froke explained that as he understands this, it will save the city, Planning Department and City Clerk's Office publication cost, notification cost and local newspaper costs.

Mayor Scruggs said there should be further discussion or else let's not adopt the resolution until Council is ready to do everything. So while Council's up here assuming what it means would Mr. Tindall like to provide any information? Mr. Tindall replied he did not have any additional information to provide.

Mayor Scruggs said her concern was, if there should be any changes to item seven that the Council approves of, which probably not but might be, would those changes then be valid if Council has already adopted number four, the resolution in its format? Would there need to be a change to number four? Mr. Tindall replied he was not clear on that matter.

Councilmember Martinez noted he was also uncomfortable voting on this first. He explained he had some question on the color of the exterior of the building and wondered how that affects the process if they had already approved the text amendment.

Mayor Scruggs said Mr. Froke, spoke to her so she was sure he spoke to the other Councilmembers about this being the new facilitated way that the state's legislature has provided for Council to be able to move forward with our actions and reduce expenses of printing cost and so forth. However, there seems to be a lot of confusion here tonight. And for the record, she and Mr. Froke had spoken several times over the past few weeks about her concerns with Section 3-602 - Design Review, when review is required. And as Councilmember Martinez said, any change to the exterior color of the building – also she had questions regarding the wireless as it applies to residential area. So the question is now, does Council move forward if they do not know if the resolution has to match the zoning text amendment?

Mr. Tindall noted his recommendation to discuss the item would be fine since it was on the agenda. However, there were no time constraints on this item if Council wishes to table this item in order to receive additional information.

Mr. Ed Beasley, City Manager suggested they remove the item and bring it back with additional information so it could be better understood and voted on properly.

Mayor Scruggs agreed.

Councilmember Martinez suggested a workshop to discuss this item.

Mayor Scruggs said - there are at least a couple Councilmembers that have some concerns so that might be a better way to go about it, and express what those concerns are rather than bring it up here. And Mr. Beasley, would that be agreeable with you?

Mr. Beasley agreed.

Mayor Scruggs said she thought she was the only one that had concerns with this, but it sounds like there is quite a bit.

Mayor Scruggs said she would just like to state for the record that Mr. Froke did, she believed, make Council all aware of this new process and it was applied once before in something very mundane that had to do with something with financial services, not a zoning text amendment, so she apologized for the confusion here.

It was moved by Lieberman, and second by Knaack, to table items 4 and 7 to a future workshop for discussion. The motion carried unanimously.

ORDINANCES

8. QUIT CLAIM DEED: RESTHAVEN PARK CEMETERY

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

This is a request for City Council to adopt an ordinance authorizing the City Manager to execute a quit claim deed in favor of SCI Arizona Funeral Services, Inc., to enable expansion of Resthaven Park Cemetery located at 6450 West Northern Avenue.

Executing the quit claim deed supports Council's goal of one community with quality economic development and one community with high-quality services for citizens by enabling expansion planning of Resthaven Park Cemetery.

The city owns a strip of property that runs along the western edge of the undeveloped northern most portion of the cemetery's land. The strip was given to the city by Resthaven Park Cemetery in 1970 by quit claim deed for the future development of 65th Avenue, which was never improved north of Northern Avenue. The parcel has never been used by the city and transferring the parcel back to Resthaven in order to facilitate expansion of the cemetery is appropriate. Transfer by quit claim deed is consistent with the city's ownership interest.

The recommendation is to waive reading beyond the title and adopt an ordinance authorizing the City Manager to execute a quit claim deed in favor of SCI Arizona Funeral Services, Inc.

Ordinance No. 2798 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 CONVEYANCE OF CERTAIN PROPERTY LOCATED 6450 WEST NORTHERN AVENUE BY DIRECTING THE EXECUTION OF A QUITCLAIM DEED AND/OR OTHER DOCUMENTS NECESSARY FOR THE EXPANSION OF RESTHAVEN PARK CEMETERY; AND DIRECTING THE CITY CLERK TO RECORD A CERTIFIED COPY OF THIS ORDINANCE.

It was moved by Alvarez, and seconded by Lieberman, to approve Ordinance No. 2798 New Series. Motion carried on a roll call vote, with the following Councilmembers voting "aye": Alvarez, Clark, Lieberman, Knaack, Martinez, Frate, and Scruggs. Members voting "nay": none.

9. AD-HOC CITIZEN TASK FORCE ON WATER AND SEWER

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

This is a request for City Council to adopt an ordinance establishing an Ad-Hoc Citizen Task Force on water and sewer.

This request supports Council's goal of one community with high-quality services for citizens by increasing citizen involvement in local government.

At the June 7, 2011 Workshop, as a Council Item of Special Interest, Mayor Scruggs requested a preliminary report on the establishment of a citizen task force which would educate the participants on the operational processes, demands, and rate policies associated with Glendale's water and sewer utility. In a subsequent Council workshop, staff presented the preliminary framework for the establishment of a citizen task force on water and sewer. A presentation was provided to the Government Services Committee on the process for moving forward.

To assist with this endeavor, staff is requesting Council establish and appoint an advisory committee that would serve as a task force on water and sewer. The task force members shall be Glendale residents and serve without compensation. Each Councilmember may recommend up to 10 citizens for this task force. Each citizen recommendation will be processed through the existing standard protocol for all board and commission members. Current board or commission members will also be allowed to serve on this task force while serving their assigned appointment. The task force will be provided with an educational program/process covering water resources planning, water/wastewater treatment, reclaimed water storage, and other pertinent topics. Through this educational program, the task force would be asked to provide Council with policy-related recommendations for Glendale's water and sewer utility.

On December 20, 2011, Councilmember Clark, as Chair of the Government Services Committee, made a presentation to Council on the proposed citizen task force on water and sewer.

At the September 6, 2011 Workshop, staff presented the preliminary framework for the establishment of a citizen task force on water and sewer and a follow-up presentation was made by staff to the Government Service Committee on November 1, 2011.

At the June 7, 2011 Workshop, a preliminary report on the establishment of a citizen task force on water and sewer was requested.

The Ad-Hoc Citizen Task Force on water and sewer will provide citizens an opportunity to learn the various functions, processes, and considerations required to effectively and efficiently provide water and sewer services to the community.

The Water Services Department will incur the cost for a professional outside facilitator. The cost is anticipated to be less than \$50,000 and funding is available in the Water Services FY 2011-12 operating budget.

The recommendation is to waive reading beyond the title and adopt an ordinance establishing the Ad-Hoc Citizen Task Force on water and sewer.

Ordinance No. 2799 New Series was read by number and title only, it being AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, ESTABLISHING AN AD-HOC CITIZEN TASK FORCE ON WATER AND SEWER; AND SETTING FORTH INSTRUCTIONS AND CHARGES.

It was moved by Frate, and seconded by Martinez, to approve Ordinance No. 2799 New Series. Motion carried on a roll call vote, with the following Councilmembers voting “aye”: Alvarez, Clark, Lieberman, Knaack, Martinez, Frate, and Scruggs. Members voting “nay”: none.

10. FISCAL YEAR 2010-11 BUDGET AMENDMENTS

Sherry M. Schurhammer, Executive Director, Financial Services, presented this item.

This is a request for City Council to adopt an ordinance approving the FY 2010-11 budget amendments. This action is routinely done after the Comprehensive Annual Financial Report for the prior fiscal year is completed.

Review of the FY 2010-11 budget amendments is consistent with Council’s goal of one community that is fiscally sound by supporting the city’s financial stability.

A budget amendment is a transfer of appropriation authority and most amendments are done to reconcile the prior fiscal year’s actual savings with requested carryover. Overall, the City of Glendale’s total FY 2010-11 budget appropriation across all funds is unchanged. Council is requested to adopt an ordinance approving the amendments to the prior fiscal year budget as a final action.

Most of the budget amendments are associated with capital projects. During the course of FY 2010-11, capital project carryover was reconciled to actual savings from the prior fiscal year. When departments prepared their FY 2010-11 capital project budgets, they estimated their amount of carryover savings. The Management and Budget Department subsequently reconciled each department’s actual savings from the prior fiscal year with their estimated carryover budget for FY 2010-11 and then increased or decreased their budgets accordingly.

This type of action is done after the annual audit for the prior fiscal year is completed. For example, Council approved a similar ordinance for FY 2009-10 on February 22, 2011.

Overall, the City of Glendale’s total FY 2010-11 budget appropriations across all funds remain unchanged.

The recommendation is to waive reading beyond the title and adopt an ordinance approving the FY 2010-11 budget amendments.

Councilmember Clark asked for clarification on why a transfer would come from the CIP reserve account. Sherry M. Schurhammer, Executive Director, Financial Services, explained that capital projects typically take several years to completely spend the funds so it is common for them to have carryover from FY to FY. Once the fiscal year ends and all expenditures are posted, staff will reconcile the differences between the estimated carry over that departments provided the previous spring and the actual amount of savings. She explained that usually the estimated carryover amount is more than the actual savings, therefore as part of the reconciliation budget

staff will remove that excess appropriation authority so the capital projects spend only the funds that are available for each specific project. She noted that was how they end up with a CIP reserve account. She also explained that the sales tax system is considered a capital project because it cost more than \$50,000 and is expected to have a useful life of at least 5 years. She remarked that the city has been capitalizing technology projects like this one for many years and is a common practice in business as well as government.

Councilmember Clark asked for clarification on item 63 (in Exhibit A of the ordinance) concerning advisor fees. Ms. Schurhammer explained that the city, through a competitively bid contract, hires an outside firm to manage its cash investments. She said the investment earnings for each fund is attributed to the appropriate fund. Therefore the cost of paying the investment firm is also attributed to the appropriate fund. She said the city pays an investment firm just like a person would pay a firm to investment his or her savings.

Councilmember Clark had a question on item 71 regarding the business development account. Ms. Schurhammer explained the business development account was established to handle expenses related to potential business opportunities. The expenses are primarily outside legal fees and some consultant expenses related to contract negotiations and other issues. Councilmember Clark noted the amount was rather large, totaling \$2.7 million.

Councilmember Clark had a question on item 81 concerning transportation sales tax transferring to the general fund. Ms. Schurhammer explained this row refers to a transfer of appropriation authority. Councilmember Clark asked if the expense within the general fund was within the parameters set by the voter-approved transportation sales tax. Ms. Schurhammer replied yes. Councilmember Clark asked to have information on what that appropriation authority transfer was for. Ms. Schurhammer agreed.

Councilmember Alvarez asked for clarification on item 86 concerning a transfer of appropriation authority to the workers compensation trust fund. Ms. Schurhammer explained that when the budget staff sets the premiums every year for the workers compensation fund and the risk management fund, those premiums are based on the prior FY's actual claims. Sometimes, claims activity in the new FY differs significantly from the prior year history so it is necessary to transfer monies between the two funds. She noted that this transfer was cleared in advance through the trust board that manages each trust fund. Councilmember Alvarez inquired if this meant that the self insurance [Risk Management Fund] fund lost this money and will not be getting it back. Ms. Schurhammer explained that the transfers between these two funds have occurred in the past and were done with the prior approval of the respective trust boards.

Councilmember Alvarez also questioned the advisor fees and asked for clarification. Ms. Schurhammer noted those fees were for the outside firm the city hires through a competitive bid process to handle the city's cash investments. Councilmember Alvarez noted she may have to sit down with Ms. Schurhammer to understand this better.

Councilmember Lieberman asked to discuss item number 71 again. He asked if this was associated with the VIP program. Ms. Schurhammer replied no. She explained that this account was set up to capture the costs associated with potential business opportunities. Councilmember

Lieberman asked what kind of business opportunities these were. He added he did not remember putting \$3 million into this account when they discussed the budget. Ms. Schurhammer stated that this account covered outside legal fees and some consultant fees associated with pursuing potential business opportunities. Councilmember Lieberman asked if this money was going to the legal department. Ms. Schurhammer replied no. She explained this account was originally set up in the economic development department because it was established to handle expenses related to potential business opportunities. She noted that it does handle fees paid to outside legal firms that are hired to assist the city with potential business opportunities.

Councilmember Lieberman asked what outside legal fees. Mr. Tindall, City Attorney noted some of those legal fees dealt with the Coyotes and the Tohono O'odham issues. He stated that was the bulk of the legal and consultant fees that were processed. Councilmember Lieberman remarked these fees should have come from the City's Attorney's Office. Mr. Tindall explained how the account was set up some time ago to handle economic development opportunities and later divided up to also handle legal fees. However, the actual name just carried over through the years. Councilmember Lieberman stated last year there was a transfer of \$3 million into the attorney's office; however, he does not see any transfer in that amount. He believes this fund was being misallocated publicly as well as not being done in a budget period. He remarked he did not like the way this was being handled and wonders why they even have budget meetings when staff was going to transfer into an account \$3 million.

Councilmember Lieberman noted he was also confused by item 78. Ms. Schurhammer explained item 78 referred specifically to the transfer of appropriation authority to the government facilities bond account for the purchase and implementation of the new sales tax system. Councilmember Lieberman reiterated his belief that the Council was not aware of all the budget transfers and decisions staff was making.

Ms. Schurhammer stated that she would like to clarify some of the transfers brought up by Councilmember Lieberman. First, she stated that the transfers Councilman Lieberman mentioned were transfers of appropriation authority. She also stated that the transfer of appropriation authority for the Business Development account was not for the City Attorney's Office. She further explained that many of the outside legal bills that were paid out of this account were related to issues discussed with City Council during Executive Session.

She also explained the \$4 million item related to the ground water treatment plant was a Capital Improvement Project (CIP) reconciliation item. She noted that budget staff sets up extra appropriation authority for grants that could come in throughout the course of the year. She stated the appropriation authority was controlled within the budget office to make sure grant funds are available before they provide additional appropriation authority to anyone.

Mayor Scruggs asked Ms. Schurhammer to begin again adding that the Council had trouble with the item last year as well. She continued that the terminology is very familiar if someone works in financial services, but it is confusing otherwise. Mayor Scruggs asked that Ms. Schurhammer explain adding that she believed the most important thing is that the city was not spending money that night; continuing that the city is reconciling its books for actions that were taken between July 1, 2010 and June 30, 2011. Mayor Scruggs asked if that was correct.

Ms. Schurhammer replied yes.

Mayor Scruggs said the actions that were taken between July 1, 2010 and June 30, 2011 were actions that were given by the Council in approval of our budget.

Ms. Schurhammer stated she was correct and added that the city had not exceeded the total appropriation that City Council approved as part of the budget adoption process for the prior fiscal year.

Mayor Scruggs said she was going to ask Ms. Schurhammer to explain it in laymen's terms, that Council would not be spending new money, but explain what appropriation means and how it has to be put in the right place to match the actions. In other words, the fire truck the Council already approved the purchase of, but the action came at a different time, where you needed the appropriations. She commented that she wasn't going to do a good job explaining, so asked Ms. Schurhammer to explain.

Ms. Schurhammer explained that in order to spend money, two things have to be in place, one is appropriation authority, which is simply the authority to spend funds, and two is the actual funds to pay for the expenditure. She noted the city could have the funds, but not the spending authority or the other way around. She stated that only when you have both together and they match, can the city actually spend the funds. The budget amendments relate to moving appropriation authority around to different places. She explained that in the Comprehensive Annual Financial Report (CAFR), the annual document that provides expenditure data for the prior FY, the city did not exceed the appropriation authority that was set up in any fund.

Councilmember Lieberman continued to question the amounts of several transfers. He believes in one form or another, this was a transfer of cold cash dollars. Ms. Schurhammer stated that he was incorrect. Mr. Horatio Skeete, Assistant City Manager, tried to explain that most of the funds for projects were already in their respective funds; however, if they were somehow short, that was where the appropriation authority came in to find the funds in another place. Councilmember Lieberman reiterated that they could not spend an appropriation; therefore they have to be dealing in cash.

Councilmember Clark stated she wanted to attempt to explain this in a more simplistic form. She explained that an appropriation was more like permission to spend the money they already have and that's what they were talking about. This was not a fiscal transfer of funds to one department to another but rather a transfer of the permission to spend additional money that department already has.

Mayor Scruggs said the Council adopts the budget, we give permission for a maximum amount of money to be spent and we cannot spend more than what we said in the budget. Now, staff does the best job they can in determining where that money will be spent. She continued so when the landfill signal needed another \$3,000 there were other funds out there that weren't using the money for various reasons, the project got slowed down, the project got cancelled, the bills are coming in later so they have the extra permission – they can't use it – so their permission is

transferred over to the landfill so that the money they already have to put the signal in, they can use that money legally to put the signal in. So all we are doing is balancing this out. If this is not approved tonight that doesn't make the signal go away – because she assumes it's already built. So she thought permission was the right word.

Ms. Schurhammer stated she was correct

Councilmember Knaack remarked Council had gone through this last year at length and suggests maybe before next year, that staff sits down with everyone and goes over this. She stated all this has already passed and was done. They were simply balancing the budget for the end of last year.

Councilmember Alvarez remarked she understood the budget process; however, had a problem with spending money from the business economic development fund on legal fees when the city was short in other areas in the community such as library hours and furloughs. She realizes this money has already been spent, but using it for legal fees was something that she could not accept.

Councilmember Clark provided an analogy on how to use the funds and how to balance the appropriation at the end of the year. Mr. Skeete and Ms. Schurhammer agreed.

Councilmember Lieberman disagreed and still had concerns. He also maintained his belief that they were actually dealing with actual funding.

Councilmember Martinez called for the motion.

Ordinance No. 2800 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 TRANSFER OF APPROPRIATION AUTHORIZATION BETWEEN BUDGET ITEMS IN THE ADOPTED FISCAL YEAR 2010-11 BUDGET.

It was moved by Knaack, and seconded by Frate, to approve Ordinance No. 2800 New Series. Motion carried on a roll call vote, with the following Councilmembers voting “aye”: Clark, Knaack, Martinez, Frate, and Scruggs. Members voting “nay”: Alvarez and Lieberman.

RESOLUTIONS

11. AGREEMENTS FOR INFRASTRUCTURE IMPROVEMENTS ALONG GRAND AVENUE

Jamsheed Mehta, AICP, Executive Director, Transportation Services, presented this item.

This is a request for City Council to authorize the City Manager to enter into agreements with the Arizona Department of Transportation (ADOT), Salt River Project (SRP) and Arizona Public Service (APS) for infrastructure improvements along Grand Avenue.

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

ADOT and Glendale are participating in a joint project to improve traffic flows and enhance the appearance of Grand Avenue. The project includes construction of turn lanes, access control measures, undergrounding utilities, landscape enhancements, upgraded street lighting, and continuous sidewalks. ADOT anticipates construction to begin in the Summer of 2012.

In preparation for construction on Grand Avenue, certain utilities will need to be relocated. The intergovernmental agreement (IGA) with ADOT will provide reimbursements to the city for costs associated with undergrounding existing overhead electric and telecommunication lines, installation of new underground power lines for new street lighting, and city inspection services for utility relocations. ADOT will reimburse the city for the full costs associated with these electrical utility relocations and inspection services in the estimated amount of \$1,959,913.50. Additionally, this IGA requires the city to cover the cost to relocate water utilities in the amount of \$332,770.

The city will contract with SRP and APS to underground all existing electrical power lines and to install underground electrical service for new street lights along Grand Avenue.

The IGAs with SRP are for an estimated total amount of \$545,305.60, and the agreement with APS is estimated at \$1,236,434. The city will be fully reimbursed for the cost of these agreements per the IGA with ADOT.

On October 9, 2007, Council approved an IGA with ADOT for completion of a Design Concept Report for Grand Avenue between 43rd and 71st Avenues.

The proposed infrastructure improvements along Grand Avenue will help improve traffic flows, and enhance the appearance of Grand Avenue.

On June 26, 2008, ADOT held an open house meeting in Glendale for public comments on the Design Concept Report and Environmental Study for Grand Avenue improvements. No comments were received from the public.

Proposed improvements on Grand Avenue have been presented at each of the annual GO Program public meetings since 2003. No comments were received from the public.

The IGAs with SRP are for an estimated total amount of \$545,305.60, and the agreement with APS is estimated at \$1,236,434; the city also agrees to pay ADOT \$332,770 to relocate water utilities along Grand Avenue; these costs total \$2,114,509.60. These funds are available in the FY 2011-12 capital improvement plan.

ADOT will reimburse the city for the project costs and any costs beyond the estimated \$1,781,739.60 to underground utilities along Grand Avenue between 43rd and 71st Avenues and \$178,173.96 for inspection services.

The project will result in new operating costs estimated at \$43,000 beginning in FY 2012-13 associated with maintenance of new landscaping/street lighting and will be covered by the GO Transportation Fund.

Grants	Capital Expense	One-Time Cost	Budgeted	Unbudgeted	Total
X	X		X		\$2,114,509.60

Account Name, Fund, Account and Line Item Number:

A specific project account will be established in Fund 1650, the city’s Transportation Grant Fund, once the agreements are formally executed.

Water Line Replacement, Account No. 2400-61013-55120, \$332,770

The recommendation is to make the following motions for infrastructure improvements along Grand Avenue:

1. Waive reading beyond the title and adopt Resolution No. 4538, New Series, authorizing the City Manager to enter into an intergovernmental agreement with the **Arizona Department of Transportation**;
2. Waive reading beyond the title and adopt Resolution No. 4539, New Series, authorizing the City Manager to enter into an intergovernmental agreements with **Salt River Project**; and
3. Authorize the City Manager to enter into an agreement with **Arizona Public Service**.

Mayor Scruggs said Mr. Mehta, let’s go back to something you said earlier. The city of Glendale will be reimbursed by the Arizona Department of Transportation for these expenses except for the \$332,000 for the water line. Is that correct?

Jamsheed Mehta, AICP, Executive Director, Transportation Services, stated she was correct.

Mayor Scruggs said so the large numbers will all be reimbursed even though Council sees \$2,114,509.60. And my second question is, if you have the appropriation authority for this or will we be back here next year asking for the appropriation authority to do what is going to happen anyway because ADOT is going to send the money over?

Mr. Mehta responded he didn’t know, but that the Budget department does ensure that there is funding and authority to spend on that project.

Mayor Scruggs said so we might see this next year. She just wondered if this was in the budget for this year with appropriation authority. Otherwise it would be an item that next year Council would see that would have been completed in this year and so forth.

Resolution No. 4538 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 STATE OF ARIZONA, DEPARTMENT OF TRANSPORTATION, FOR UTILITY RELOCATIONS AND ENHANCEMENTS OF GRAND AVENUE.

It was moved by Knaack, and seconded by Frate, to pass, adopt and approve Resolution No. 4538 New Series. The motion carried unanimously.

Resolution No. 4539 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 SIX INTERGOVERNMENTAL AGREEMENTS ENTITLED, “CONSTRUCTION SERVICES CONTRACT (MUNICIPAL DISTRIBUTION)” WITH SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT TO UNDERGROUND UTILITIES AT VARIOUS LOCATIONS WITHIN THE CITY OF GLENDALE.

Andrew Marwick, a Phoenix resident, commented on the Grand Avenue Corridor and provided a short history. He stated he approves of this item and hopes it has some improvement on the traffic flow on Grand Avenue.

It was moved by Knaack, and seconded by Martinez, to pass, adopt and approve Resolution No. 4539 New Series. The motion carried unanimously.

It was moved by Knaack, and seconded by Clark, to authorize the City Manager to enter into an agreement with Arizona Public Service. The motion carried unanimously.

REQUEST FOR FUTURE WORKSHOP AND EXECUTIVE SESSION

It was moved by Frate, and seconded by Knaack, to hold a City Council Workshop at 1:30 p.m. in Room B-3 of the City Council Chambers on Tuesday, February 7, 2012, to be followed by an Executive Session pursuant to A.R.S. 38-431.03. It was additionally moved to hold a Special City Council Budget Workshop at 1:30 p.m. in Room B-3 of the City Council Chambers on Tuesday, February 14, 2012, to be followed by an Executive Session pursuant to A.R.S. 38-431.03. The motion carried unanimously.

CITIZEN COMMENTS

Ken Jones, an Ocotillo resident, stated the city has squandered \$50 million in the last two years. He said the city needs to stop wasting money on the Coyotes and instead ask the NHL to help them find a good Minor League Team. He reiterated that Glendale could not support a Major League Team both financially and fan based. He noted the Coyotes were just a dream that they cannot wake up from and also never materializes. He expressed his appreciation for Councilmember Alvarez's determination, even with all her ailments that have befallen her.

Walt Opaska, a Cholla resident, referred to an article in the Arizona Republic which had a statement from Mayor Scruggs that the Coyote issue was out of the hands of the city and there was nothing they can do at this point. He stated that was not true. He suggested the city plan for all eventualities including the Coyote's leaving and if they are not, the city was being neglectful. He commented on a management company that could take over the arena at a low rate. He asked them to stop neglecting their duties to their constituents and be publicly planning for all potential situations.

Andrew Marwick, a Phoenix resident, commended Mayor Scruggs for her role at the last Maricopa Association of Governments Transportation Committee. He noted that because of her efforts, funding was found for a new HOV ramp exit near the University of Phoenix Stadium that should improve access and traffic flow in the area. He remarked that most gambling was not good; however, the issue now was where most people will be gambling anyway, and Glendale should benefit from it.

Arthur Thruston, a Cactus resident, commented on his chain smoking in his early years. He stated the smoke reminded him of the city of Glendale and the smoke and mirrors they are using restructuring their debt, their financial reporting as well as city assets being unspecified. He noted they should be able to cut out the smoke and mirrors and be a more transparent city.

Rick Tannehill, a Barrel resident, commended the Council on the great job they have done steering the city through some very troubled financial waters these last four years. He remarked he does not envy their job and thinks they have done as well as could be possibly expected under the circumstances. He stated that other than asking them for more transparency in a few areas, he believes they have done a great job weathering the storm. He remarked on the fireworks issue and how he found several fire crackers on his roof top that could have caused a house fire. He hopes the city finds technological solutions to pinpoint where these fireworks are being sent from or consider an ordinance to ban fireworks such as some other cities have done.

COUNCIL COMMENTS AND SUGGESTIONS

Councilmember Alvarez commended the Mayor on allowing the moment of silence at the beginning of the meetings. She hopes to now work on allowing the citizens to comment at the beginning of the meetings and not wait until the end.

Councilmember Clark responded no comment.

Councilmember Lieberman stated he believes the moment of silence was a great addition.

Vice Mayor Frate, read a letter from a citizen thanking the Councilmembers for the wonderful events Glendale Glitters provided this season and how important it was for businesses in the downtown area. The writer stated it was like adding an extra month to everyone's sales revenue and for that they are very grateful to the city and their vision. Vice Mayor Frate remarked there were many positive things happening downtown and was glad they were paying off. He commented that Congresswomen Giffords was stepping down and wanted to thank and praise her for all she has done for Arizona. He reminded everyone to watch children around water.

Councilmember Martinez responded no comment.

Councilmember Knaack responded no comment.

Mayor Scruggs said first of all she wanted to thank Mr. Tannehill for putting a real face on the enormity of the situation. She had developed the feeling when Council talked about it at workshop, they all expressed their feelings about what happened on New Year's Eve, the way it was reported in the newspaper kind of made Council look a little silly or hysterical. But Mr. Tannehill came forward tonight and brought it (burnt fireworks from his roof) right here for everybody to view and everybody who looks at the video online can say, yes it is a very real problem and yes the state's legislature said they could sell the fireworks and yes they're supposed to be ground displayed, but people are doing it elsewhere. She and several of the Councilmembers have firmly committed to not having Glendale be one of only two cities in the valley that allows this. She thanked Mr. Tannehill very much for coming forward.

Mayor Scruggs said she would like to address Mr. Opaska's comments and she was very sorry that he left. He did cite a quotation by me, but it was taken a bit out of context so she would like to put it in context. There was an article on AZcentral.com today regarding the status of negotiations with the National Hockey League which is the owner of the team to sell the team to somebody else. Mayor Scruggs then read the referenced AZCentral.com article directly from the internet using her blackberry. "Scruggs, as well as Councilwomen Yvonne Knaack and Joyce Clark, have said the city is waiting on the NHL to act. 'I am still confident and optimistic things will be resolved,' Clark said last week. 'They are out of our hands at this point. The situation is not of our doing and when things are resolved, we'll be making some kind of an announcement.' Scruggs' remarks were more pointed. 'We are not in control and quite honestly, I'm kind of tired of everybody pointing to us and making comments that the city of Glendale can't get the job done,' the mayor said. 'We have no control over it and I think probably the NHL is very happy that writers and reporters continue to point to the city of Glendale for not getting the job done because it takes the attention directly off them.'" Mayor Scruggs continued that she and Councilwoman Knaack and Councilwoman Clark were all saying that the issue of a buyer coming forward is in the control of the National Hockey League. That's what they were saying.

Mayor Scruggs said regarding Mr. Opaska's suggestion that the Council adopt a plan B, she couldn't agree more. That was exactly what she proposed last June and she noticed he's pretty good about following some comments so last June, that's exactly what she proposed during our Council Items of Special Interest. Then last September he quoted what Mr. Beasley had to say

that it would take three to four months to go out and find a new arena manager. But he forgot the important part, and that was her request that the Council look at developing an alternative, that the Council have information, financial information, as to what the cost is to run the arena without a team and anyone can read the minutes and go on line and watch the video. And that's what she asked for. What will it cost to run this arena without a team? The staff's recommendation was that it would chill efforts to sell the team and would not be in the best interest of the city of Glendale, that it would cost a ton of money and that it was a bad thing to do. Mayor Scruggs stated that all six of her colleagues agreed with that staff recommendation. She went on to say that if Mr. Opaska does get to serve on the City Council in this position right here, he will learn that there needs to be a majority to go forward. She's hoping that there is a change of heart and that the Council can do what should have been done awhile ago and which she was on record as calling for. Otherwise she thanked him for his comments.

Mayor Scruggs said lastly there are several candidates for City Council in the audience tonight and most of them had applied for the citizen's water and sewer task force and she applauded them for doing that. She thinks it's very, very important to learn the complexities of running the water and sewer operations of this city. She can't think of anything that's much more important than that. So congratulations. To those candidates who have not yet requested service on the task force that Council approved this evening, she asked them to please do so. She will be reaching out personally to the Mayoral candidates and inviting them to participate. She will nominate them if they choose to apply. She thinks it's vitally important and again, to those of you who have already applied, thank you and congratulations.

Mayor Scruggs said Mr. Marwick, she has a newspaper article at home that follows on some of the conversations we had last week about transit. And she apologizes; she forgot to bring it but would call him. She also would try to remember the correct pronunciation of Mr. Thruston's middle name. Meeting is adjourned.

ADJOURNMENT

There being no further business, the meeting was adjourned at 8:58 p.m.

Pamela Hanna
Pamela Hanna - City Clerk