

**MINUTES OF THE REGULAR MEETING OF THE COUNCIL  
OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA,  
HELD TUESDAY, JUNE 28, 2005, AT 7:00 P.M.**

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

Also present were Pam Kavanaugh, 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 two resolutions and two 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 JUNE 14, 2005 CITY COUNCIL MEETINGS**

**It was moved by Goulet, and seconded by Clark, to dispense with the reading of the minutes of the June 14, 2005 City Council Meeting, as each member of the Council had been provided copies in advance, and approve them as written. The motion carried unanimously.**

**PROCLAMATIONS AND AWARDS**

**BOARDS AND COMMISSIONS**

This is a request for the City Council to approve the recommended appointments to the following commissions that have a vacancy or expired term and for the Mayor to administer the oath of office to those appointees in attendance.

			<u>Effective Date</u>	<u>Expiration Date</u>
<b><u>Arts Commission</u></b>				
Frank Eager	Cholla	Re-appointment	08/24/2005	08/24/2007
<b><u>Aviation Advisory Commission</u></b>				
Carl Dietzman	Ocotillo	Appointment	06/28/2005	11/24/2006

**Bicycle Advisory Committee**

Keith Cyrnek	Ocotillo (Sahuaro)	Re-appointment	07/18/2005	07/18/2007
Michael J. Wood At-Large (Barrel)	Chair	Re-appointment	07/17/2005	07/17/2006

**Board of Adjustment**

Hugh R. Leonardo	Cholla	Appointment	06/30/2005	06/30/2007
Moises Gallegos	Chair Sahuaro	Appointment	06/30/2005	06/30/2006
Yvonne Knaack	Vice Chair Barrel	Appointment	06/30/2005	06/30/2006

**Citizen's Advisory Commission on Neighborhoods**

Larry Flatau	Chair Barrel	Appointment	06/30/2005	06/30/2007
DeLoy Salazar	At-Large (Cholla)	Appointment	06/28/2005	06/30/2006

**Citizen's Transportation Oversight Commission**

Neva Johnson	Ocotillo	Re-Appointment	07/25/2005	07/25/2007
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**Commission On Persons With Disabilities**

Camille Donley	Cholla	Appointment	06/28/2005	06/28/2007
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**Community Development Advisory Committee**

Rebecca Ontiveros	CAP Board Ocotillo	Appointment	06/28/2005	09/23/2006
Dolores Ronquillo	CAP Board Ocotillo	Re-appointment	07/01/2005	07/01/2007

**Historic Preservation Commission**

Carl Jordan	Chair Barrel	Appointment	06/28/2005	06/28/2006
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**Housing Advisory Commission**

Donnell Gentry	At-Large (Ocotillo)	Re-appointment	07/01/2005	07/01/2007
	Chair	Re-appointment	07/01/2005	07/01/2006
Madelin Page	At-Large (Ocotillo)	Re-appointment	07/01/2005	07/01/2007
	(Barrel)	Re-appointment	07/01/2005	07/01/2006
	Vice Chair	Re-appointment	07/01/2005	07/01/2006
	At-Large (Barrel)			

**Judicial Selection Advisory Board**

Peter Van Camp		Appointment	06/28/2005	04/23/2006
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**Library Advisory Board**

Brian Bates	Sahuaro	Appointment	06/28/2005	06/28/2007
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**Parks & Recreation Advisory Commission**

Raymond Kultala	Sahuaro	Appointment	06/28/2005	06/28/2007
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**Risk Management/Worker's Compensation Trust Fund Board**

David Goulet	At-Large (Ocotillo)	Re-appointment	07/24/2005	07/25/2008
	Chair	Re-appointment	07/24/2005	07/25/2008
	At-Large (Ocotillo)			
Donald Knafels	At-Large (Ocotillo)	Re-appointment	07/24/2005	07/25/2007

The recommendation was to make appointments to the commissions and administer the oaths of office.

**It was moved by Martinez, and seconded by Frate, to appoint the applicants listed above, for the terms listed above, to their respective boards and commissions. The motion carried unanimously.**

Mayor Scruggs issued the Oath of Office to the new Board members and Commissioners present.

## RECOGNITION OF STUDENTS FOR "RECYCLING IS FUN" DESIGN-A-SIGN CONTEST

This is a request for City Council to recognize four Glendale students for their drawings submitted for a Design-A-Sign contest sponsored by the Glendale Sanitation Division.

The Sanitation Division initiated a contest for children aged six to nine to submit a drawing with the theme "Recycling is Fun." A total of 18 children participated in the contest and all children received a certificate of recognition. Winners in each age group will have their artwork reproduced on a sign for display on the side of one of the city's recycling trucks.

The Glendale Recycling Program provides residents an opportunity to recycle by collecting paper, plastic, and metal products once a week from each single family home. The key to a lasting program in the community is to encourage children to learn about recycling and participate in the program. Thousands of children have taken tours of the Glendale Materials Recovery Facility where the recyclable material is baled and sold. The prominent display of children's artwork reaches out to the next generation of recyclers thereby helping to reinforce recycling.

Present Beverly Johnson (age 6), Blanca Ruiz (age 7), Adrian Dragos (age 8), and Cormac Assink (age 9) certificates of recognition as the four entries selected for the Design-A-Sign contest

## **CONSENT AGENDA**

Ms. Pam Kavanaugh, Assistant City Manager, read Agenda Item Numbers 1 through 10 and Ms. Pamela Hanna, City Clerk, read Consent Resolutions Agenda Item Number 11 by number and title.

Councilmember Lieberman requested item number 9 be heard separately. Councilmember Clark requested item number 6 be heard separately.

### 1. 2005-06 PERFORMING ARTS GRANTS

This is a request for the City Council to approve the recommended 2005-06 Performing Arts Grants that will support 13 arts projects in the community.

By ordinance, the Glendale Arts Commission makes recommendations to the City Council on public art acquisitions and awarding performing arts grants.

The grant program is now in its 10<sup>th</sup> year. Sixteen grant applications, totaling \$38,900, were submitted to the Arts Commission by its April 1, 2005 deadline.

Grant applications were reviewed at the Arts Commission's May 18, 2005 meeting. Applications were reviewed in accordance with the following evaluation criteria: 1) artistic quality, 2) ability to serve the needs of the community, 3) managerial and administrative ability of the applicant organization, 4) history of the applicant organization in producing, presenting or serving the arts, and 5) appropriateness of the project budget.

The Arts Commission recommends 13 grants totaling \$31,400 for funding:  
\$2,500 – Arizona Arts Chorale, collaborative concert with Arizona Winds at Midwestern University;

\$2,500 – Ballet Arizona, outdoor concert at Historic Sahuaro Ranch;  
\$2,500 – Center Dance Ensemble, performances at four elementary schools in the Glendale Elementary School District: William C. Jack, Glenn F. Burton, Coyote Ridge and Melvin E. Sine;

\$2,500 – Horizon Elementary School, Glendale Elementary School District, six weeks of theater workshops for students in the sixth, seventh and eighth grades, which will culminate with a performance;

\$2,500 - Glendale Public Library, Foothills Branch, series of 12 musical and dance performances, workshops and lectures, which celebrate the cultural heritage of Arizona's Chinese-Americans;

\$2,500 – Glendale Public Library, Main, three performances of Operatunity, an ensemble of professional opera singers;

\$2,500 – Peoria Unified School District, series of performances for Grades 2-4 by the Great Arizona Puppet Theatre at Sahuaro Ranch, Heritage, Desert Palms, Marshall Ranch and Pioneer Elementary Schools;

\$2,500 – Cactus High School – series of workshops and concerts by Southwest Brass at Cactus High School, Peoria Unified School District;

\$1,400 - Phoenix Conservatory of Music – two musical performances featuring literary artist Stella Pope Duarte and professional dancer Dorothy Morgan for senior citizens at Glencroft, a retirement community (applicant applied for \$1,400);

\$2,500 – Phoenix Symphony, two concerts at Coyote Ridge Elementary School in the Glendale Elementary School District;

\$2,500 – Southwest Human Development, theater workshops for Head Start and preschool programs by Arizona Wolf Trap at five sites to be selected in the Glendale Elementary School District;

\$2,500 – West Valley Arts Council, collaborative outdoor performance and exhibition from The Bead Museum at Arrowhead Towne Center featuring Latin musicians Freddie Duran Plan;

\$2,500 – West Valley Symphony, production costs for bringing the Symphony's Pop Concert Series to Glendale Arena for four performances, which feature guest artists Wynonna Judd, Bobby Vinton, Larry Gatlin, and Neil Sedaka.

In 1996 Council approved the Performing Arts Granting Program to motivate, increase and support the performing arts in Glendale. Disciplines included in the performing arts are music, dance and theater. Individual grant awards do not exceed \$2,500 and are funded from the Municipal Arts Fund. Since the inception of this program, the city has funded 74 performing arts grants totaling \$175,395.

The Performing Arts Granting Program supports a variety of projects, which make the arts more accessible to Glendale citizens, most notably youth and their families. The arts are spread throughout the community including 17 schools, two libraries, a regional park, a major sports venue, a shopping mall and a facility, which serves seniors. Collectively, 295 artists are involved in the 13 projects, which are projected to reach more than 22,040 citizens.

The Arts Commission Fund is the funding source for the performing arts grants, which is supported by one percent of capital construction costs.

Grants	Capital Expense	One-Time Cost	Budgeted	Unbudgeted	Total
		X	X		\$31,400

**Account Name, Fund, Account and Line Item Number:**

**Arts Commission Fund 70-9700-7910**

The recommendation was to authorize the City Manager to execute the contracts and documents to complete the performing arts grant awards to the 13 applicant organizations.

**2. LIQUOR LICENSE NO. 3-997 TAILGATER'S SPORTS BAR & GRILL**

This is a request by Larry Fussy for the City Council to approve a Person and Location Transfer of a Series 6 (on and off sale, all liquor) license for Tailgaters Sports Bar and Grill located at 6070 W. Bell Road, No. 107.

The approval of this license will not increase the total number of liquor licenses in this area.

The establishment is over 300 feet from any school or church. The Planning Department, Police Department, and the Maricopa County Health Department have reviewed the application and have determined that it meets all technical requirements.

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

The recommendation was to forward a recommendation for approval to the Arizona Department of Liquor Licenses and Control.

3. LIQUOR LICENSE NO. 3-999 CYPRESS LOUNGE

This is a request by Joseph White for the City Council to approve a Person Transfer of a Series 6 (on and off sale, all liquor) license for Cypress Lounge located at 5944 W. Bethany Home Road.

The approval of this license will not increase the total number of liquor licenses in this area.

The establishment is over 300 feet from any school or church. The Planning Department, Police Department, and the Maricopa County Health Department have reviewed the application and have determined that it meets all technical requirements.

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

Forward a recommendation for approval to the Arizona Department of Liquor Licenses and Control.

4. LIQUOR LICENSE NO. 3-1000 SWIZZLE STICK

This is a request by Donna Hestand for the City Council to approve a Person Transfer of a Series 6 (on and off sale, all liquor) license for Swizzle Stick located at 5152 W. Olive Avenue.

The approval of this license will not increase the total number of liquor licenses in this area.

The establishment is over 300 feet from any school or church. The Planning Department, Police Department, and the Maricopa County Health Department have reviewed the application and have determined that it meets all technical requirements.

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

Forward a recommendation for approval to the Arizona Department of Liquor Licenses and Control.

5. LIQUOR LICENSE NO. 3-1001 ZANG ASIAN BISTRO

This is a request by David Chang for the City Council to approve a new Series 12 (restaurant, all liquor) license for Zang Asian Bistro located at 6835 N. 58<sup>th</sup> Drive.

The approval of this license will increase the total number of liquor licenses in this area by one.

The establishment is over 300 feet from any school or church. The Planning Department, Police Department, and the Maricopa County Health Department have reviewed the application and have determined that it meets all technical requirements.

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

Forward a recommendation for approval to the Arizona Department of Liquor Licenses and Control.

7. EMERGENCY SERVICES CONTRACTS - SEWER LINE REPAIR AND STREET RECONSTRUCTION

This is a request for the City Council to approve the transfer of appropriation authority and funds, and emergency service contracts with Hayward Baker, Inc. and Pierson Construction Corp., for emergency services provided for soil stabilization of a collapsed sewer line trench, sewer line repairs, and street reconstruction at two locations.

One of Council's goals is to provide a safe environment for citizens by maintaining necessary services and responding promptly to the interruption of those services.

In September 2004, city staff discovered a collapsing sewer line trench within the neighborhood of 67<sup>th</sup> and Caribbean lanes. Within a few weeks of discovery, greater than normal rainfall accelerated the collapsed sewer trench to a dangerous condition. A geotechnical consultant was immediately retained by the city to evaluate soil conditions surrounding the collapsed sewer line trench. City staff evaluated the data provided by the consultant with the purpose of stabilizing the collapsing trench with a minimum amount of excavation and disturbance to the neighborhood. A high-pressure concrete injected below ground from beneath the sewer line was determined to be the most efficient method of stabilizing the soil in and surrounding the collapsing sewer line trench with a minimum disturbance to existing city streets. As the sewer line itself had been damaged by the failing trench, this method allowed a more efficient restoration and repair of the sewer line with a minimum impact to residents. Hayward Baker Inc., a company specializing in high-pressure grout injection, responded to the city's request for emergency construction services. Hayward Baker Inc. began high-pressure grout injection operations in late November 2004, completing the process in January 2005. As a benefit to the high-pressure concrete method of soil stabilization, access to the

67<sup>th</sup> and Caribbean lanes neighborhood was maintained with a minimum disruption to the residents.

In late November 2004, Pierson Construction Corp. began emergency repairs of a collapsed sewer line trench within the neighborhood near 67<sup>th</sup> and Caribbean lanes. Immediate temporary repairs were implemented to maintain sewer service to the neighborhood with sewer line replacement and permanent repairs beginning after surrounding soil was stabilized by Hayward Baker, Inc. In addition to the sewer line repairs, street reconstruction was necessary to portions of 67<sup>th</sup> Lane, Caribbean Lane and, Greenway Road. Work was completed at these locations in May 2005.

In late December 2004, an aged sewer line in the alleyway between 57<sup>th</sup> Avenue and 57<sup>th</sup> Drive, Palmaire and Myrtle Avenues collapsed. Pierson Construction Corp. responded to the city’s request for an emergency by-pass of the collapsed sewer line, avoiding imminent sewer backup into adjacent homes and businesses. As the damage was assessed, city staff determined that the entire sewer line was in need of replacement. Pierson Construction Corp. completed the sewer line replacement, alleyway reconstruction and street repairs in February 2005.

The total cost for the high pressure grouting method of soil stabilization provided by Hayward Baker is \$495,871.12. The total cost for sewer line repair and street reconstruction provided by Pierson Construction Corp., in the alley between 57<sup>th</sup> Avenue and 57<sup>th</sup> Drive, Palmaire and Myrtle avenues is \$134,918.33, and the total cost for sewer line repair and street reconstruction at 67<sup>th</sup> and Caribbean lanes is \$302,878.88. These transactions will require the transfer of appropriation authority and funds of \$933,668.33 from FY 2004-05 Fund 50 Contingency, Account No. 50-2455-7000 to Sewer Line Replacement, Account No. 84-9623-8300. This will result in a reduction of Fund 50 contingency appropriation authority for FY 2004-05 and a reduction in the Fund 50 balance.

<b>Grants</b>	<b>Capital Expense</b>	<b>One-Time Cost</b>	<b>Budgeted</b>	<b>Unbudgeted</b>	<b>Total</b>
	X	X		X	\$933,668.33

**Account Name, Fund, Account and Line Item Number:**  
 Sewer Line Replacement, Account No. 84-9623-8300

The recommendation was to authorize the transfer of appropriation authority and funds in the amount of \$933,668.33 from FY 2004-05 Fund 50 Contingency, Account No. 50-2455-7000 to Sewer Line Replacement, Account No. 84-9623-8300 and approve the emergency services contracts with Hayward Baker Inc., and Pierson Construction Corp.

8. REIMBURSEMENT TO CITY OF PHOENIX FOR SEWER RELOCATION

This is a request for the City Council to authorize the transfer of appropriation authority and funds for a one-time reimbursement to the City of Phoenix for the relocation of Glendale’s sanitary sewer line Camelback Road from 103<sup>rd</sup> to 107<sup>th</sup> Avenues.

In 2003, the City of Phoenix had a project to widen Camelback Road from 103<sup>rd</sup> to 107<sup>th</sup> avenues. In addition to the street widening, the project included filling in an existing Salt River Project (SRP) irrigation canal and replacing it with an underground irrigation pipeline. The new irrigation line was in conflict with an existing 24-inch Glendale sewer line in three places between 103<sup>rd</sup> and 107<sup>th</sup> avenues. Pursuant to a license agreement between Glendale and Phoenix, Glendale was required to relocate the sewer line in those three areas of conflict. Wilson and Company designed the relocation work for Glendale and Pierson Construction Corporation completed the construction work under contract with Phoenix. The work was completed in March 2004 and now Phoenix is requesting payment having successfully completed the one-year warranty period which ended in March 2005.

A one-time reimbursement to City of Phoenix is required for the construction work completed by Pierson Construction Corporation for the relocation of the Glendale sewer line. This transaction will require the transfer of appropriation authority and funds in the amount of \$382,212 from FY 2004-05 Fund 50 Contingency, Account No. 50-2455-7000, to Sewer Line Replacement, Account No. 84-9623-8300. This will result in a reduction of Fund 50 contingency appropriation authority for FY 2004-05 and a reduction in the Fund 50 fund balance.

Grants	Capital Expense	One-Time Cost	Budgeted	Unbudgeted	Total
	X	X		X	\$382,212.00
<b><u>Account Name, Fund, Account and Line Item Number:</u></b>					
Sewer Line Replacement, Account No. 84-9623-8300					

The recommendation was to authorize the transfer of \$382,212 in appropriation authority and funds from FY 2004-05 Fund 50 Contingency, Account No. 50-2455-7000 to Sewer Line Replacement, Account No. 84-9623-8300 for the one-time reimbursement to the City of Phoenix for the relocation of Glendale’s sanitary sewer line in Camelback Road from 103<sup>rd</sup> to 107<sup>th</sup> Avenues.

10. AWARD OF RFP 05-13 – SPECIAL EVENT RENTALS

This is a request for the City Council to approve a contract for short-term rental of special event equipment on an “as required” basis. The resulting agreement will provide for the order, delivery, placement and removal of rental equipment for selected citywide events including: Glendale Hometown Fourth of July, Fiesta Glendale,

Glendale Glitters Spectacular, Glendale Glitter and Glow Block Party, Glendale Chocolate Affaire, and Glendale Jazz & Blues Festival.

A Request for Proposals for tent and accessory rentals was released on March 24, 2005. It was advertised in the Glendale Star, Bid Source, Dodge Reports, chambers of commerce, and on the city's website. One offer was received from Regal Rents Acquisition Corp dba Tri-Rentals. The Marketing/Communications department reviewed the offer and determined that the response meets all specifications. The contract will run for one year with the option to renew for an additional four one-year periods.

City Council previously awarded a contract, 99-66, for these items on May 30, 2000. That contract expired in May 2005 and has no additional renewals available.

The approval of this contract will allow the City of Glendale to produce high quality events for the enjoyment of our citizens.

This is the same company our former contract was with; therefore the amount has been calculated into the Special Event's budget.

Grants	Capital Expense	One-Time Cost	Budgeted	Unbudgeted	Total
			X		65,795

<b><u>Account Name, Fund, Account and Line Item Number:</u></b> Special Events Rental 01-4244-7810
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Award the contract to Regal Rents Acquisition Corporation for special event equipment rental for an annual cost of \$65,795.

**CONSENT RESOLUTIONS**

11. **INTERGOVERNMENTAL AGREEMENT FOR 2004 STATE HOMELAND SECURITY GRANT**

This is a request for City Council to adopt a resolution authorizing the entering into of an intergovernmental agreement with the State of Arizona Division of Emergency Management (ADEM) to administer Homeland Security Grant Program funds to the City of Glendale, and to accept a 2004 Homeland Security grant to enhance the capabilities of the Police Department's Bomb Squad.

This request supports the Council priority of ensuring public safety for Glendale residents.

Since 1999, Glendale has been able to leverage grant funds to enhance first responder preparedness within the city and the West Valley. Grant funds have been used for safety equipment to protect first responders, specialized equipment for technical operations, equipment to enhance communication efforts, preparedness training, and to enhance prevention and intervention programs.

Grant funds awarded to the city under the 2004 Homeland Security Grant Program will support the Glendale Police Department's ability to maintain and enhance bomb response capabilities.

There is no financial match requested for this funding. This is one-time funding by the State Homeland Security. A specific account will be established in Fund 47, the city's grant fund, once the grant agreements are formally executed.

The Police Department will absorb the operating and maintenance costs for FY 2005-06, and then submit a supplemental for \$9,600 for FY 2006-07 for ongoing costs to include fuel, vehicle maintenance and replacement.

<b>Grants</b>	<b>Capital Expense</b>	<b>One-Time Cost</b>	<b>Budgeted</b>	<b>Unbudgeted</b>	<b>Total</b>
X	X	\$148,855			\$148,855

**Account Name, Fund, Account and Line Item Number:**

To be established (see above)

The recommendation was to waive reading beyond the title and adopt a resolution authorizing the entering into of an intergovernmental agreement with the State of Arizona Division of Emergency Management to administer Homeland Security Grant Program funds to the City of Glendale, and to accept a 2004 Homeland Security grant award in the amount of \$148,855 to support the Police Departments ability to maintain and enhance bomb response capabilities.

Resolution No. 3868 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, DIVISION OF EMERGENCY MANAGEMENT TO ADMINISTER HOMELAND SECURITY GRANT PROGRAM FUNDS TO THE CITY OF GLENDALE; AND ACCEPTING A 2004 HOMELAND SECURITY GRANT AWARD ON BEHALF OF THE GLENDALE POLICE DEPARTMENT.**

It was moved by Eggleston and seconded by Frate, to approve the recommended actions on Consent Agenda Item Nos. 1 through 5, 7 and 8, including the approval and adoption of Resolution No. 3868 New Series, and to forward Liquor License Applications No. 3-997 for Tailgater's Sports Bar and Grill, No. 3-999 for Cypress Lounge, No. 3-1000, for Swizzle Stick and, No. 3-1001

**for Zang Asian Bistro to the State of Arizona Department of Liquor Licenses and Control, with the recommendation for approval. The motion carried unanimously.**

6. CHANGE ORDER – DOWNTOWN PLAZA, BEAD MUSEUM & CIVIC CENTER ANNEX RENOVATIONS

Mr. Larry Broyles, City Engineer presented this item.

This is a request for the City Council to approve a change order to the construction contract with Brignall Construction for the construction of the Downtown Plaza, Bead Museum & Civic Center Annex Renovations & Additions.

On May 10, 2005, Council awarded the construction contract to Brignall Construction to construct additions to, and update the exteriors at, the Bead Museum and Wells Fargo bank building. A pedestrian plaza between the two buildings will also be added to tie the two facilities together and provide for a more esthetic area for visitors.

The contractor's bid proposal did not properly address the electrical portion of the project, leaving the city with the following options: the city could rescind the award of the construction contract to Brignall Construction and award the project to the second low bidder; re-bid the project and delay the start of construction until after the first of the year; or issue a change order for the electrical work. Staff feels it is in the city's best interest to issue a change order to prevent any further delay to the project, which was scheduled to be completed before the Glendale Glitters festivities scheduled for late 2005. Even with the increase in the original contract amount, Brignall Construction will remain the low bidder.

On July 13, 2004, Council awarded the design contract to the architectural firm of Michael Baker Jr., Inc. On May 10, 2005, Council awarded the construction contract to Brignall Construction in the amount of \$2,825,000.

This project will have a direct impact on the Glendale Civic Center and downtown area. The open space plaza area will create an inviting entrance to the Civic Center, with a public art feature. The renovation/additions to the Wells Fargo building will support the services offered by the Glendale Civic Center and will enhance and expand the functionality of the Bead Museum.

The total amount of this change order is \$262,500, which will bring the total cost for this project to \$3,087,500. The additional funds are available in the Fiscal Year 2005-2006 Capital improvement Plan, Downtown Plaza, Account No. 28-8872-8300.

Grants	Capital Expense	One-Time Cost	Budgeted	Unbudgeted	Total
	X		X		\$262,500

**Account Name, Fund, Account and Line Item Number:**  
Downtown Campus, Account No. 28-8872-8300

The recommendation was to approve the change order to the construction contract with Brignall Construction in the amount of \$262,500.

Councilmember Lieberman asked why staff did not notice that electric was not included when the bid was submitted. Mr. Broyles explained architectural services are bid as a lump sum; therefore, staff could not have known one division was left out of the bid. Councilmember Lieberman asked how they became aware electric was not included. Mr. Broyles said the contractor noticed the error while compiling their contract documents. Councilmember Lieberman asked if the city agreed a change order would satisfy the requirement. Mr. Broyles explained the city has three options, disallow the bid and award the contract to the second low bidder, re-bid the project, or issue a change order. Councilmember Lieberman asked about the length of the bidding process. Mr. Broyles said the bidding process was 30 days, but the contract could not be re-bid until September because Council vacates in August. He stated, if that were to happen, construction would not be completed by November; therefore, construction would be postponed until after the first of the year. Councilmember Lieberman asked if, even with the change order, the combined bid is less than the second lowest bid. Mr. Broyles responded yes. He noted the contractor, in recognizing his error, is not adding any overhead or profit to the amount.

Councilmember Martinez asked if the contract has been signed. Mr. Boyles said the contractor signed the original contract and the proposed change order will increase the amount. Councilmember Martinez asked if the city's Legal Department has approved the change order. Mr. Tindall said they have reviewed the situation and believe the proposed changed order is proper and appropriate.

Councilmember Clark asked Mr. Tindall to explain the rationale behind their determination. Mr. Tindall said the award has been made and a contract has been entered into; therefore, it was determined re-bidding the contract would not be in the best interest of the city, either financially or in terms of the timing of the project.

Vice Mayor Eggleston said it appears the bidding company simply left a component out of their bid and the proposed change order is an appropriate way to address the issue.

**It was moved by Eggleston, and seconded by Martinez, to approve the change order to the construction contract with Brignall Construction in the amount of \$262,500.**

Councilmember Clark said the issue is a matter of principal; time and money are not relevant. She stated the process in this instance was flawed and, as a matter of principal, the bid should be rescinded and the project should be re-bid. She said, while she appreciates that time is of the essence and that financial reasons make keeping the bid more appealing, it is not the right thing to do.

Councilmember Goulet said Mr. Reedy commented to him earlier that the contractor made a simple and honest mistake, noting the bidder was willing to drop out of the running and recommend the second bidder for the job. He stated that shows credibility on the part of the contractor and he does not perceive any sinister action on the part of the contractor. He explained the redevelopment project is a critical piece to the Downtown Redevelopment plan and to delay it for what has been determined an honest mistake would be wrong.

Mayor Scruggs said she will support the change order, noting Mr. Reedy called her and other Council Members to provide details about the issue. She stated the City Attorney reviewed the change order and has assured the Council it is an appropriate step to take. She expressed her opinion it is in the best interest of the city to proceed.

Councilmember Frate said he also spoke with Mr. Reedy . He pointed out the second lowest bid is still higher than the contractor's bid, even after the change order. He said he supports the change order.

Councilmember Martinez said he will also support the motion because he believes the contractor made an honest mistake and the change order is in the best interest of the city.

Councilmember Clark expressed her opinion approval of the change order will set a bad precedence.

Councilmember Frate said, had the contractor not come forward on his own and admitted his mistake, he would feel differently.

Councilmember Lieberman stated the contractor was forced to bring the matter to the city's attention since he could not afford to proceed without the change order.

**Upon a call for the question, the motion carried, with the following Councilmembers voting "aye": Goulet, Eggleston, Martinez, Frate, and Scruggs. Members voting "nay": Clark and Lieberman.**

9. CATERING SERVICES AT THE GLENDALE CIVIC CENTER

Mr. Art Lynch, Deputy City Manager presented this item.

This is a request for the City Council to award and authorize the City Manager to enter into a contract for catering, beverage and concession services at the Glendale Civic Center and auxiliary facilities with Continental Catering, Inc.

The Civic Center's ability to provide a full service meeting and banquet venue in the heart of downtown Glendale serves to enhance the quality of life for its residents as well as contribute to the economic vitality of the area.

Services under this contract will include preparing, providing and serving food for users of the Civic Center as well as licensed alcoholic beverage service, and providing the product and personnel for events requiring concession-type food and beverage.

Catering services will begin July 1, 2005 and continue for five years. The proposal specifications contain an option clause that will permit the city, at the discretion of the City Manager, to extend this agreement for three additional years, for a total possible contract period of eight years. The option clause will allow the city to extend the contract in one-year increments for up to three years.

The evaluation panel consisted of staff from the Glendale Civic Center, the Deputy City Manager's office, and the City of Mesa Arts Center. Specific evaluation factors included: quality of the bidder's management team, management plan, food service operations, experience and proven success at operating and managing catering and alcohol operations, proposed compensation plan, competitive menu proposals, a food tasting along with observation of the servicing of an actual event, and professional references and health department inspection ratings.

Three proposals were received. Creative Cuisine and Catering, dba Continental Catering, Inc., submitted the offer that was scored the highest and was selected by the evaluation committee for recommendation as the contractor.

Continental Catering has been providing catering services at the Civic Center since it opened in 1999. Clients at the Glendale Civic Center have consistently been pleased with the service and food quality provided by Continental Catering. Through surveys distributed after events at the Civic Center, Continental Catering has received an overall approval rate of 95.7%. Their management team has over 28 years of experience in catering, event planning and consulting. It is also Arizona's largest and oldest owner-operated catering company and their client list includes some of the most notable corporations in the Valley.

The City Attorney's Office reviewed the solicitation process and the selection procedures utilized.

On July 27, 1999 the City Council approved proposal 99-32 for Catering Services at the Glendale Civic Center to Continental Catering. This contract officially expires June 30, 2005.

Providing top quality catering, beverage and concession services at competitive rates allows the Civic Center to meet the business and social needs for groups that require full service function space within the City of Glendale.

As stated in their response to the Request for Proposal, the city will receive commission payments from Continental Catering, Inc. in the following amounts: Catering Food, 21%, Alcohol Service, 21%, and Concession Service, 50% of net profit. Revenues from commission payments will be deposited into account number 06-0006-4446.

The recommendation was to award and authorize the City Manager to enter into a contract, in the best interest of the city, for catering, beverage and concession services at the Glendale Civic Center with Continental Catering, Inc.

Councilmember Lieberman asked how much profit has the city realized from catering at the Civic Center. Mr. Lynch responded \$118,846.98 in 2003/04 and \$130,502 in 2004/05. Councilmember Lieberman commented Continental Catering does an excellent job. He noted three prominent rotary members pointed out the contract does not allow another caterer to come in for specific groups. He said, while he supports the contract, he will work to find a solution to that issue.

Councilmember Clark asked if the actual cost of the meals fit into one of the evaluation criteria. Mr. Lynch said the cost of the meal is included in the Menus and Service Observation categories. He stated maintaining the quality of food service at a level equivalent to that found at a four-star hotel was felt to be of paramount importance and setting the threshold at that level automatically sets the pricing. Councilmember Clark pointed out the second bidder rated higher in Quality of Team and Management Plan. Mr. Lynch agreed. Councilmember Clark noted the two were rated the same in terms of experience and only four points apart in terms of the Compensation Plan. She asked what is meant by the term "compensation plan." Mr. Lynch explained it is the plan of distribution of the portion of gross receipts or net profits to the city. She stated Continental scored considerably higher on Service Observation and Menu Sampling. She said, all together, there is about a seven point difference, which seems insignificant given a maximum possible score of 560 points. She suggested adding the cost of the meal as a criteria to better determine which bidder offers the most attractive price point for renters of the space.

Vice Mayor Eggleston asked if the contract is similar to the city's previous contract with Continental. Mr. Lynch responded yes, noting the subject contract has a five year term with a three year renewal option. Vice Mayor Eggleston asked if the percentages set forth in the contract are the same as the previous contract. Mr. Lynch

said the concession percentage was amended in the proposed contract to reflect 50 percent and food service was offered at 21 percent.

Councilmember Clark asked if there is an opportunity to review the contract on an annual basis so as to address the percentages as required by the bidder or the city. Mr. Lynch stated the original contract is for a five year term, with annual reviews each year thereafter for a period not to exceed three years. He explained the city prefers a longer contract so as to assure stability and commitment to quality service.

Mayor Scruggs asked if 20 to 21 percent is the industry standard. Mr. Lynch responded yes. Mayor Scruggs pointed out the higher percentage paid to the city is most likely reflected in an increased cost for meals.

Councilmember Lieberman noted, of the six points evaluated, the second bidder outbid Continental in two instances, in two instances they were even, and Continental outbid the second bidder in two instances.

Councilmember Clark expressed concern about locking the city into a contract for five years when the industry standards could change.

Mayor Scruggs stated the RFP was issued for a five year term.

**It was moved by Lieberman, and seconded by Frate, to award and authorize the City Manager to enter into a contract, in the best interest of the city, for catering, beverage and concession services at the Glendale Civic Center with Continental Catering, Inc.**

Mayor Scruggs asked if the contract includes all facilities the City of Glendale deems to be part of the Civic Center, whether or not they exist today. Mr. Tindall responded yes.

Councilmember Lieberman stated Item 1.3 says the agreement refers to the Glendale Civic Center facility located at 5750 West Glenn Drive. Mayor Scruggs stated a revised contract was sent out a couple days ago. Mr. Tindall agreed, stating the term "facility" is defined as the Glendale Civic Center facility and all auxiliary structures as designated by the city as part of the Civic Center complex.

Councilmember Clark asked if the city-built convention center at Westgate would fall under the contract. Mr. Tindall said only if the city chooses to designate the convention center as part of the Civic Center.

Councilmember Lieberman asked if city staff or the Council would designate a facility as part of the Civic Center complex. Mr. Tindall said designation could be made by either, but it would most likely come from Council.

Mayor Scruggs asked if the vacant bank building the city is currently remodeling will be considered part of the Civic Center Complex. Mr. Tindall responded yes. Mayor Scruggs asked if the Bank of America building is included. Mr. Tindall said, under the terms of the contract, the city could choose to designate the building if it so desires.

**Upon a call for the question, the motion carried unanimously.**

## **PUBLIC HEARING – LAND DEVELOPMENT ACTIONS**

### **12. REZONING APPLICATION ZON04-18 - 21432 NORTH 75<sup>TH</sup> AVENUE**

Ms. Tabitha Perry, Planner, presented this item.

This is a request by Eva Oprea for the City Council to approve a rezoning from A-1 (Agricultural) to C-O (Commercial Office). The property is located at 21432 North 75<sup>th</sup> Avenue.

The proposed zone designation will bring the property into conformance with the city's General Plan.

The site is located south of the southwest corner of 75<sup>th</sup> Avenue and Deer Valley Road. The proposed C-O zoning is consistent with the General Plan designation of OFC (Office). The C-O zoning district is the most appropriate zoning to implement the office land use designation.

The city has rezoned two other properties north of the site from A-1 to C-O.

On April 21, 2005, the Planning Commission held a public hearing and unanimously recommended approval of the rezoning application with three stipulations.

The rezoning request will bring the property into conformance with the General Plan and it will be consistent with the surrounding properties in the area.

On June 23, 2004, the applicant sent out approximately 350 notification letters regarding the rezoning request. There were no letters or telephone calls received regarding the proposed rezoning request.

The recommendation was to conduct a public hearing and approve rezoning application ZON04-18, subject to stipulations as recommended by the Planning Commission.

**Mayor Scruggs opened the public hearing on Agenda Item No. 12. As there were no comments, Mayor Scruggs closed the public hearing.**

**It was moved by Martinez, and seconded by Lieberman, to approve the rezoning application ZON04-18, subject to stipulations as recommended by the Planning Commission. The motion carried unanimously.**

## **BIDS AND CONTRACTS**

### **13. PROFESSIONAL SERVICES AGREEMENT – PUBLIC SAFETY TRAINING FACILITY, PHASE ONE**

Mr. Larry Broyles, City Engineer, presented this item.

This is a request for City Council approval of a professional services agreement with Lawrence Enyart Architects for design and construction administration services for phase one of the Public Safety Training Facility located on the northwest corner of 115<sup>th</sup> and Glendale avenues, bordering the west boundary of the Glendale Municipal Landfill. Phase one will provide the needed facilities to support the training of Glendale Fire and Police personnel including classrooms, shooting ranges, driving track, fire training tower, mockups of buildings and burn rooms, an emergency operations center and infrastructure facilities for future phases.

The Public Safety Training Facility will provide a new resource for the training of fire and police personnel. The ability to meet the future demands for trained public safety personnel will help ensure the public's safety.

Early in 2004 the Fire and Police Departments realized that the demand for trained public safety personnel was soon going to surpass the abilities of the available training resources. Currently 19 communities in the valley, including Glendale, utilize the Phoenix Regional Training Facility.

The Engineering Department reviewed the database of over 100 consultants and short listed three architectural firms with experience performing this type of work. A committee comprised of Fire, Police, and Engineering staff selected Lawrence Enyart Architects as the best-qualified firm to perform the Public Safety Training Facility Master Plan. The facility master plan was completed in January 2005. Based on Lawrence Enyart Architects' performance on the master plan the committee selected them to provide the design and construction administration services for phase one.

In 2003, staff held a series of meetings and identified a city-owned site for the project. On July 24, 2004, Council approved a contract with Lawrence Enyart Architects (LEA) to develop the Public Safety Training Facility Master Plan, which was completed in January 2005. The project was presented at Council budget workshops on April 5 and 19, 2005 and approved as part of the Fiscal Year 2005-06 budget.

The facility will provide the Fire and Police Departments the ability to train public safety employees to meet future needs.

Funds for this project are available in Public Safety Multi-Use Facility, Account No. 60-9421-8330.

Grants	Capital Expense	One-Time Cost	Budgeted	Unbudgeted	Total
	X		X		\$3,138,000

<b><u>Account Name, Fund, Account and Line Item Number:</u></b> Public Safety Multi-Use Facility, Account No. 60-9421-8330
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The recommendation was to approve the professional services agreement with Lawrence Enyart Architects in the amount of \$3,138,000.

Vice Mayor Eggleston commented the item was discussed at a Council workshop session.

**It was moved by Eggleston, and seconded by Frate, to approve the professional services agreement with Lawrence Enyart Architects in the amount of \$3,138,000. The motion carried unanimously.**

14. CONSTRUCTION MANAGER AT RISK AGREEMENT – PUBLIC SAFETY TRAINING FACILITY, PHASE ONE

Mr. Larry Broyles, City Engineer, presented this item.

This is a request for City Council approval of a Construction Manager at Risk (CMAR) Agreement with D.L. Withers Construction, LC, to provide design support services for the first phase of the Public Safety Training Facility located on the northwest corner of 115<sup>th</sup> and Glendale avenues, bordering the west boundary of the Glendale Municipal Landfill. The services to be provided include conducting the bidding to establish a guaranteed maximum price, budget and scheduling, and maintaining the project requirements.

The Public Safety Training Facility will provide a new resource for the training of fire and police personnel. The ability to meet the future demands for trained public safety personnel will help ensure the public's safety.

The first phase of the facility will include a flood control levee to remove the site from the flood plain. These facilities have been identified by the Police and Fire Departments as necessary to support training needs by January 2007.

Early in 2004, the Glendale Fire and Police Departments realized that the demand for trained public safety personnel was soon going to surpass the capabilities of the available training resources. Currently 19 communities in the Valley, including Glendale, utilize the Phoenix Regional Training Facility.

A notice for a Request for Qualifications was sent out to contracting firms and four proposals were received. Three firms were interviewed on May 24, 2005. The interview committee, made up of staff from the Fire, Police, and Engineering departments, and a senior executive from a licensed contracting company, selected D.L. Withers Construction, LC, as the best qualified firm to perform the required services.

In 2003 staff held a series of meetings and identified a city-owned site for the project. On July 27, 2004, Council approved a contract with Lawrence Enyart Architects (LEA) to develop the Public Safety Training Facility Master Plan, which was completed in January 2005. The project was presented at Council budget workshops on April 5 and 19, 2005, and approved as part of the Fiscal Year 2005-06 budget.

The facility will provide the Fire and Police Departments the ability to train public safety employees to meet future needs.

The Engineering Department staff negotiated a fee to cover the CMAR design support services for this project in the amount of \$348,719. Funds are available in EOC/Training Facility Phase I, Account No. 60-9421-8330.

Grants	Capital Expense	One-Time Cost	Budgeted	Unbudgeted	Total
	X		X		\$348,719

**Account Name, Fund, Account and Line Item Number:**  
EOC/Training Facility Phase I, Account No. 60-9421-8330

The recommendation was to approve the construction manager at risk agreement with D.L. Withers Construction, LC, in the amount of \$348,719.

Councilmember Lieberman noted this is the first in a long series of bids and awards for the public safety training facility. He stated the city will, for the first time in its history, not only be able to train its Fire and Police Departments, but those from other cities as well.

**It was moved by Eggleston, and seconded by Lieberman, to approve the construction manager at risk agreement with D. L. Withers Construction, LC, in the amount of \$348,719.**

Mayor Scruggs commented on the importance of the project.

**Upon a call for the question, the motion carried unanimously.**

## **ORDINANCES**

### **15. CONSTRUCTION CODE REVISIONS**

Ms. Deborah Mazoyer, Building Safety Director, presented this item.

This is a request for City Council to adopt an ordinance amending the current construction codes. This amendment will clarify requirements for fire-damaged buildings and will set a new requirement for the completion of all structures within two years.

Revising and updating construction codes enhances the quality of life for Glendale residents by providing a safe environment and assists in preserving neighborhoods.

The Building Safety Department has two similar sets of requirements to deal with dangerous and fire damaged buildings: The Uniform Code for the Abatement of Dangerous Buildings and City Code Section 25-70 Article VI Damaged Building Ordinance.

While the Damaged Building Ordinance was created to deal primarily with fire-damaged structures, the Uniform Code for the Abatement of Dangerous Buildings also has requirements for these types of structures in addition to dilapidated, unsafe or illegally occupied structures. This conflict in ordinances makes it unclear for builders and residents to understand the code requirements for fire-damaged structures. An amendment to the Abatement of Dangerous Buildings would eliminate fire-damaged structures from that portion of the code, making only the Damaged Building Ordinance applicable for fire-damaged structures.

The second amendment requested clarifies that in order for a building permit to remain active, the applicant shall call for an inspection within 180 days and successfully pass the inspection. While it was always the intent of the code that the applicant would need to pass an inspection, not merely obtain an inspection for the permit to remain active, the code does not clearly state this. As a result, the city has several projects that have taken years to complete while the applicant routinely calls in for an inspection every 180 days, but does not make significant progress in the construction. This amendment would ensure that construction progresses in a timely manner, or the permit will expire and new plans and permits would be required.

A related third amendment requires that all construction projects, except for the most complex or large, shall be completed within two years of obtaining the permit. This will also assist in construction progress and ensure that projects do not take years to complete.

Both ordinances were presented to the Council Subcommittee on Property Maintenance in April 2004 and the overlapping requirements were explained. It was the recommendation of the subcommittee to amend the ordinances so that it clarifies which one would be used for fire- damaged buildings and which was for dilapidated or unsafe structures. The subcommittee also recommended amending the code, limiting the amount of time to complete structures to two years.

With the adoption of these amendments, there will be fewer slow moving or unfinished construction projects that have become a nuisance and a blight to neighborhoods in the city and requirements would be made clearer for fire-damaged structures.

The recommendation was to waive reading beyond the title and adopt an ordinance amending the 1997 Uniform Code for the Abatement of Dangerous Buildings and the 1997 Uniform Administrative Code to clarify requirements for fire-damaged buildings and set a new requirement for the completion of all structures within two years.

Councilmember Clark asked if there is a means for the city to provide administrative relief in unusual situations. Ms. Mazoyer responded yes, explaining a written request would have to be submitted.

Ordinance No. 2448 New Series was read by number and title only, it being **AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AMENDING GLENDALE CITY CODE, CHAPTER 9 (BUILDINGS AND BUILDING REGULATIONS), ARTICLE II (TECHNICAL CODES), SEC. 9-17 (AMENDMENTS TO UNIFORM ADMINISTRATIVE CODE) AND SEC. 9-20 (AMENDMENTS TO THE UNIFORM CODE FOR THE ABATEMENT OF DANGEROUS BUILDINGS).**

**It was moved by Goulet, and seconded by Clark, to approve Ordinance No. 2448 New Series. Motion carried on a roll call vote, with the following Councilmembers voting “aye”: Clark, Goulet, Lieberman, Eggleston, Martinez, Frate, and Scruggs. Members voting “nay”: none.**

## **PUBLIC HEARING – ORDINANCES**

### **16. FISCAL YEAR 2005/06 PROPERTY TAX LEVY**

Ms. Sherry Schurhammer, Budget and Management Director, presented this item.

This is a request for the City Council to set the property taxes for FY 2005/06, conduct a public hearing, and adopt an ordinance setting the FY 2005/06 primary property tax rate at \$0.3064 per \$100 of assessed valuation and the secondary

property tax rate at \$1.4136 per \$100 of assessed valuation. The total property tax rate is \$1.72; this total rate has not changed since FY 2000/01.

The setting of the property tax rates for FY 2005/06 is consistent with the Council's goal of ensuring the city's financial stability.

Arizona state law requires that Council set the property tax levy by the third Monday in August.

Arizona's state property tax levy consists of two tiers. The primary property tax levy has state-mandated maximum limits, but it can be used by a city for any lawful purpose. It is the primary property tax revenue that is included in the General Fund. The secondary property tax levy is not limited, but it can be used only to retire the principal and interest on a municipality's General Obligation debt.

While the City of Glendale's total property tax rate has remained unchanged at \$1.72 per \$100 of assessed valuation since FY 2000/01, the city has adjusted the two components of the overall property tax rate. Specifically, the city has continued to lower the primary property tax rate and increase the secondary property tax rate so that all assessed valuation growth due to appreciation (versus new construction) is shifted to the secondary property tax rate.

All Truth in Taxation requirements of A.R.S. 42-17107 have been met and the primary property tax levy has not increased except for an amount attributable to new construction.

The city's projected primary property tax revenue for FY 2005/06, which was based on the proposed primary property tax rate for FY 2005/06, was discussed at the February 14, 2005 Council workshop as part of Council's review of the FY 2005/06 GF revenue projections. The city's proposed secondary property tax rate for FY 2005/06 was discussed at the April 5, 2005, Council budget workshop as part of the FY 2006/14 preliminary capital improvement program (CIP) discussion.

The FY 2005/06 preliminary operating budget and FY 2006/15 preliminary capital budget was presented to Council on June 14, 2005. Also, on June 14, 2005, Council conducted a public hearing on the FY2005-06 preliminary operating budget and FY2006-15 preliminary capital budget and adopted a resolution accepting the same preliminary operating and capital budgets and giving notice of the date for a public hearing on setting the property tax levy.

Summary information regarding the preliminary budget, including the proposed primary and secondary tax rates, was published in the *Glendale Star* on June 16, 2005, and June 23, 2005. All budget workshops were open to the public and were posted publicly per state requirements.

It is estimated that the FY 2005/06 primary property tax rate will generate approximately \$3.7 million and the secondary property tax rate will generate approximately \$17.9 million for a total of approximately \$21.6 million in FY 2005/06.

The recommendation was to conduct a public hearing and waive reading beyond the title and adopt an ordinance setting the FY 2005/06 primary property tax rate at \$0.3064 per \$100 of assessed valuation and the secondary property tax rate at \$1.4136 per \$100 of assessed valuation, for a total property tax rate of \$1.72.

**Mayor Scruggs opened the public hearing on Agenda Item No. 16. As there were no comments, Mayor Scruggs closed the public hearing.**

Ordinance No. 2449 New Series was read by number and title only, it being **AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, LEVYING UPON THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE CITY OF GLENDALE, SUBJECT TO TAXATION, A CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS (\$100.00) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE REQUIRED IN THE ANNUAL BUDGET, LESS THE AMOUNT ESTIMATED TO BE RECEIVED FROM OTHER SOURCES OF REVENUE; PROVIDING FUNDS FOR VARIOUS BOND REDEMPTIONS, FOR THE PURPOSE OF PAYING INTEREST UPON BONDED INDEBTEDNESS AND PROVIDING FUNDS FOR GENERAL MUNICIPAL EXPENSES; ALL FOR THE FISCAL YEAR ENDING THE 30TH DAY OF JUNE, 2006; AND DECLARING AN EMERGENCY.**

**It was moved by Clark, and seconded by Lieberman, to pass, adopt and approve Ordinance No. 2449 New Series. The motion carried unanimously.**

## **PUBLIC HEARING – RESOLUTIONS**

### **17. FINAL REVIEW AND ADOPTION OF FISCAL YEAR 2005-06 OPERATING AND FISCAL YEAR 2006-2015 CAPITAL BUDGETS**

Ms. Sherry Schurhammer, Budget and Management Director, presented this item.

This is a request for the City Council to review and approve the FY 2005-06 final operating budget and FY 2006-15 final capital budget, conduct a public hearing, and adopt a resolution formally approving the operating and capital budget for FY 2005-06.

Review of the final FY 2005-06 operating budget and the FY 2006-15 capital budget is consistent with the Council's goal of ensuring the city's financial stability.

A series of Council workshops were conducted from February to April 2005, to review the proposed FY 2005-06 operating budget and the FY 2006-15 capital budget, as well as the General Fund (GF) revenue projections for FY 2005-06.

The FY 2005-06 operating and capital budget, as reflected in the FY 2005-06 preliminary budget book, is balanced. Some notable additions to the FY 2005-06 budget include:

The additional ongoing funds required to implement step-based pay plans for both police and fire sworn personnel and the market-based pay adjustments for the rest of the city to obtain the most highly qualified staff to provide services to Glendale residential and business communities;

Approximately \$570,000 in one-time funds to address specialized equipment needs of the Police Department, and \$1.3 million in one-time funds for overtime, vehicle maintenance and background investigations;

Approximately \$712,450 in one-time funds to provide paramedic training in advanced life support for staff assigned to the new fire station that is scheduled to open in north Glendale in early FY 2005-06;

Approximately \$120,000 in one-time funds to provide consolidated training and consulting services for the city's PeopleSoft enterprise software package used for a variety of functions related to finance, purchasing, asset management, budget, and human resources;

Approximately \$1.4 million in ongoing funds for the city's pavement management program (for a total of \$2.25 million), a long term maintenance plan to preserve the high quality of the city's network of streets; and

\$3 million in one-time funds to continue acquiring underperforming properties in the downtown Glendale area; and approximately \$200,000 for the Neighborhood Improvement Grants program (for a total of \$700,000) to provide capital improvements to various neighborhoods throughout the city such as right-of-way landscaping enhancements.

Also, a total of 28 ongoing positions (14.5 positions for the GF and 13.5 positions for all other funds) were added to the base budget for FY 2005-06. Some examples of the new positions added to the city's base budget include:

Three fire captains to staff phase I of the Rapid Response Team, an urban rescue team trained to respond to threats or acts of terrorism, a program that City Council approved in July 2004 when the city formally accepted a federal homeland security grant;

Two inspectors to ensure compliance with city codes that promote public health and safety, eliminate conditions that contribute to blight and deterioration, and preserve the quality of life in neighborhoods;

One recreation supervisor to work with the construction manager on equipment purchases and to set up the staffing and program needs prior to the opening of the new Foothills Recreation & Aquatic Center, the construction of which commenced in the spring of 2005;

One service worker to work on the city's graffiti abatement team;

Two electronic information specialists to address the ongoing duties related to maintaining an up-to-date, sophisticated city website that offers residents and businesses access to e-services and other information;

Nine staff persons for the city's expanding water, wastewater, and sewer capital operations; and

One equipment operator to address customer growth in the city's residential trash and recycling collection program.

On the capital side, the city has committed resources to making the capital investments needed to meet the needs of the residential and business community. For example, the design and construction of the emergency operations center (EOC) and the initial phase of the regional public safety training facility are budgeted for FY 2005-06 and FY 2006-07. Numerous water, wastewater, and sewer capital projects are expected to commence construction during FY 2005-06, a reflection of the city's commitment to devote the necessary resources to maintain and upgrade the city's potable water system and sanitary sewer system. In addition, several critical flood control projects are budgeted for FY 2005-06.

FY 2005-06 GF revenues are expected to continue to grow, with the most notable increase expected in city sales tax revenues. This source alone is 38% of the city's GF revenue budget for FY 2005-06.

This revenue source has performed very strongly in recent years. For example, in FY 2003-04, city sales tax revenue actuals were \$6.2 million, or 14.4%, higher than the actuals received in FY 2002-03. For FY 2004-05, city sales taxes are projected to come in \$2.4 million, or 4.8%, higher than the FY 2003-04 actuals. At the end of the 3<sup>rd</sup> quarter, city sales tax receipts already are \$2.1 million ahead of FY 2003-04 actuals. For FY 2005-06, the city is expecting \$3.5 million more than the amount the city expects to receive in FY 2004-05, with \$1.9 million of that amount attributable to the addition of city sales tax to franchise fees, a new revenue stream that Glendale voters approved in a May 2005 election.

State-shared revenues represent 32% of the city's GF revenue budget for FY 2005-06. The state-shared revenue budget for FY 2005-06 equals the actuals received in FY 2003-04. This conservative approach is being taken because of the expected decrease in state-shared revenues in FY 2006-07. A mid-decade census will be conducted during FY 2005-06, and the recalculation of Glendale's pro rata portion of

state-shared revenues is expected to mean a \$3.4 million loss to Glendale beginning in FY 2006-07. By taking this approach, the city is not building into its operating budget additional ongoing expenses supported by state-shared revenues.

At the end of the third quarter, collections for state-shared revenues are 4.6% or \$1.6 million ahead of collections through the 3<sup>rd</sup> quarter for FY 2003-04. The Joint Legislative Budget Committee, a bipartisan committee that includes respected economists from the private sector and the universities, is projecting robust growth – 6.6% for state sales tax receipts, 8.4% for state individual income tax receipts, and 19.1% for state corporate income tax receipts – for FY 2005-06. Given this outlook and the city's conservative approach to budgeting this revenue source, the city believes the impact of the mid-decade census on state-shared revenues will not result in any operating budget reductions for the city.

The FY 2005-06 preliminary operating budget and FY 2006-15 preliminary capital budget was presented to Council on June 14, 2005. Also, on June 14, 2005, City Council conducted a public hearing on the FY 2005-06 preliminary operating budget and FY 2006-15 preliminary capital budget and adopted a resolution accepting the same preliminary operating and capital budgets.

Prior to June 2005, a series of seven Council budget workshops were conducted from February to April 2005 to review the proposed operating budget for FY 2005-06 and the proposed capital budget for FY 2006-15, as well as the GF revenue projections for FY 2005-06.

The City of Glendale's budget is an important financial, planning, and public communication tool. It gives residents and businesses a clear and concrete view of the city's direction for public services and operations and a better understanding of the city's ongoing needs for stable revenue sources to fund public services and ongoing operations.

The budget also provides Council and residents with a means to evaluate the city's financial stability.

The FY 2005-06 preliminary operating budget and FY 2006-15 preliminary capital budget was presented to Council on June 14, 2005. Also, on June 14, 2005, City Council conducted a public hearing on the FY 2005-06 preliminary operating budget and FY 2006-15 preliminary capital budget and adopted a resolution accepting the same preliminary operating and capital budgets and giving notice of the date for a public hearing on setting the property tax levy.

Summary information regarding the preliminary budget was published in the *Glendale Star* on June 16, 2005, and June 23, 2005.

All budget workshops were open to the public and were posted publicly per state requirements.

The annual budget (all funds) for the City of Glendale is divided into four major components, which include all appropriations for the city. The total budget, including all four components, is \$730 million. The four components and their respective total amounts for FY 2005-06 are as follows:

The *operating budget* finances the day-to-day provision of city services and totals \$290 million (all funds);

The *capital improvement budget* funds the construction of city facilities, such as roads and buildings. For FY 2005-06, the capital improvement budget totals \$326.5 million (all funds);

The *debt service budget* is used to repay money borrowed by the city, primarily for capital improvements, and totals \$47.4 million (all funds); and

The final component of the budget is the *contingency appropriation*, which is made up of fund reserves and is available to cover emergency expenses or revenue shortages. The contingency appropriation for FY 2005-06 totals \$66.1 million (all funds).

The budget includes revenue estimates totaling \$499.2 million (all sources). Total uses of all fund balances, which includes proceeds from bonds previously sold, total approximately \$230.8 million.

The primary property tax rate will be set at \$0.3064 and the secondary property tax rate will be set at \$1.4136, for a total of \$1.72. The total property tax rate has not changed since FY 2000-01. All Truth in Taxation requirements of A.R.S. 42-17107 have been met and the primary property tax levy has not increased except for the amount attributable to new construction.

Conduct a public hearing on the FY 2005-06 final operating budget and the FY 2006-15 final capital budget and waive reading beyond the title, and adopt a resolution formally approving the operating and capital budget for FY 2005-06.

**Mayor Scruggs opened the public hearing on Agenda Item No. 17. As there were no comments, Mayor Scruggs closed the public hearing.**

Resolution No. 3869 New Series was read by number and title only, it being **AN RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, ADOPTING THE ESTIMATES OF THE AMOUNTS REQUIRED FOR THE PUBLIC EXPENSE FOR THE CITY OF GLENDALE FOR THE FISCAL YEAR 2005-2006; ADOPTING A FINAL BUDGET; AND SETTING FORTH THE REVENUE, THE AMOUNT TO BE RAISED BY DIRECT PROPERTY TAXATION FOR THE VARIOUS PURPOSES.**

**It was moved by Frate, and seconded by Martinez, to pass, adopt and approve Resolution No. 3869 New Series.**

Councilmember Lieberman noted that the overall property tax rate of \$1.72 has not changed since FY2000-01.

Councilmember Clark commented that the city's budget reflects the growth the city has undergone, increasing from approximately \$400 million just a few years ago to over \$700 million.

Councilmember Frate thanked staff for its dedication and the work done in preparing the budget.

**Upon a call for the question, the motion carried unanimously.**

### **REQUEST FOR FUTURE WORKSHOP AND EXECUTIVE SESSION**

**It was moved by Eggleston, 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, July 5, 2005, to be followed by an Executive Session pursuant to A.R.S. 38-431.03. The motion carried unanimously.**

### **CITIZEN COMMENTS**

Mr. Duke Wellington, a resident of the City of Glendale, addressed the Council about the use of photo radar to allow police officers to respond to other matters. He stated, while he was originally pleased to hear the Police Department would receive 36 new officers, he soon realized the majority were to fill already vacant positions. He said he contacted several departments to learn the true story behind the new officers being hired and was never given a satisfactory answer, noting one department asked that he submit his request in writing and hung up.

Mayor Scruggs asked Chief Becker to assign someone from his department to contact Mr. Wellington.

Mr. Kevin Chiariello a resident of the City of Glendale Ocotillo District, said he is the President for Cortina Community Association which is located north of Bethany Home between 69<sup>th</sup> and 71<sup>st</sup> Avenues. He said they have an issue with common area lighting, noting they have talked with five city officials and seven SRP representatives. He explained SRP is willing to install lights in the area, but the City of Glendale has yet to give them a permit to do so. He noted the police were called to the area 109 times in 2003, 108 in 2004 and 58 times so far this year and the area suffers from drugs, alcohol use by minors, gang violence, graffiti, theft, vandalism and people publicly engaging in sexual acts. He asked the Council to facilitate their getting a permit to install common area lighting.

Mayor Scruggs directed Ms. Kavanaugh to contact Mr. Chiariello.

## **COUNCIL COMMENTS AND SUGGESTIONS**

Councilmember Clark invited everyone to attend the Fourth of July celebration at Glendale Community College. She asked that everyone keep Steve Kulb and his family in their prayers, explaining the officer was injured recently by a driver who had been drinking.

Councilmember Goulet announced a park dedication will be held tomorrow at 3:00 p.m. He encouraged residents who live in the area to come by. He said he put together a retrospective program about what has been going on in his district for the past two years, noting significant projects have come online and even greater things will come to the central part of the city in the coming years. He thanked staff members who helped facilitate all that has occurred.

Councilmember Lieberman noted the free firework show at Glendale Community College will begin at 8:00 p.m. He announced Lynette Jounic's stepmother passed away and asked everyone to keep the family in their prayers.

Vice Mayor Eggleston wished everyone a happy Fourth of July.

Councilmember Martinez wished everyone a safe and happy Fourth of July.

Councilmember Frate encouraged everyone to read the Water Quality Report, stating it will give them an appreciation for all the city does to make the city's water of the highest quality. He announced the opening of the Chuck E. Cheese at 67<sup>th</sup> Avenue and Bell Road, noting they will present a \$25,000 check to the Glendale Fire Fighters and Habitat for Humanity. He stated a water safety walk will take place June 29 at 5:30 p.m. He reminded residents that fireworks are illegal and urged everyone to watch children around water.

## **ADJOURNMENT**

There being no further business, the meeting was adjourned at 8:45 p.m.

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Pamela Hanna - City Clerk