



**MINUTES OF THE
GLENDALE CITY COUNCIL MEETING
Council Chambers
5850 West Glendale Avenue
October 9, 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 Horatio Skeete, Acting City Manager; Jamsheed Mehta, Interim Assistant City Manager; Craig Tindall, City Attorney; and Pamela Hanna, City Clerk.

Mayor Scruggs called for the Pledge of Allegiance and a moment of silence was observed.

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

A statement was filed by the City Clerk that the 4 resolutions and 3 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 SEPTEMBER 25, 2012 CITY COUNCIL MEETING

It was moved by Clark, and seconded by Frate, to dispense with the reading of the minutes of the September 25, 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.

CONSENT AGENDA

Items on the consent agenda are intended to be acted upon in one motion.

Mr. Horatio Skeete, Acting City Manager, read agenda item numbers 1 through 7 and Ms. Pamela Hanna, City Clerk, read consent agenda resolution item number 8 by number and title.

1. SPECIAL EVENT LIQUOR LICENSE, SUN LAKES BREAKFAST LIONS CLUB

PRESENTED BY: Susan Matousek, Revenue Administrator

This is a request for City Council to approve a special event liquor license for the Sun Lakes Breakfast Lions Club. The event will be held at Sahuaro Ranch Park located at 9802 North 59th Avenue on Friday, October 19, from 10 a.m. to 10 p.m. and Saturday and Sunday, October 20 and 21, 2012, from 10 a.m. to 5 p.m. The purpose of this special event liquor license is for a fundraiser.

Staff is requesting Council to forward this application to the Arizona Department of Liquor Licenses and Control with a recommendation of approval.

2. LIQUOR LICENSE NO. 5-7093, BABYLON GYROS & SHISH KABOBS

PRESENTED BY: Susan Matousek, Revenue Administrator

This is a request for City Council to approve a new, non-transferable series 12 (Restaurant) license for Babylon Gyros & Shish Kabobs located at 5826 West Olive Avenue, Suite B101. The Arizona Department of Liquor Licenses and Control application (No. 12079237) was submitted by Fikri Francis Rahana.

Staff is requesting Council to forward this application to the Arizona Department of Liquor Licenses and Control with a recommendation of approval.

3. LIQUOR LICENSE NO. 5-7194, LA CABANA

PRESENTED BY: Susan Matousek, Revenue Administrator

This is a request for City Council to approve a person-to-person transferable series 6 (Bar – All Liquor) license for La Cabana located at 5130 North 43rd Avenue. The Arizona Department of Liquor Licenses and Control application (No. 06070062) was submitted by Teresa Raya Escalante.

Staff is requesting Council to forward this application to the Arizona Department of Liquor Licenses and Control with a recommendation of approval.

4. LIQUOR LICENSE NO. 5-7255, CONNOLY'S BAR & GRILL

PRESENTED BY: Susan Matousek, Revenue Administrator

This is a request for City Council to approve a person-to-person transferable series 6 (Bar - All Liquor) license for Connoly's Bar & Grill located at 5160 West Northern Avenue. The Arizona Department of Liquor Licenses and Control application (No. 06070744) was submitted by Michelle Ann Cambern.

Staff is requesting Council to forward this application to the Arizona Department of Liquor Licenses and Control with a recommendation of approval.

5. AUTHORIZATION TO PURCHASE AMMUNITION

PRESENTED BY: Debora Black, Interim Police Chief

This is a request for City Council to approve the purchase from the San Diego Police Equipment Co., Inc. in an amount not to exceed \$72,412. The purchase will cover all of the practice and qualification ammunition needed for each police officer for the FY 2012-13.

Staff is requesting Council approve the purchase from the San Diego Police Equipment Co., Inc. in an amount not to exceed \$72,412.

6. PURCHASE AUTHORIZATION FOR CHEMICALS AND SERVICES

PRESENTED BY: Craig Johnson, P.E., Executive Director, Water Services

This is a request for City Council to approve the authorization to spend more than \$50,000 for chemicals and services obtained under the cooperative purchasing agreement.

7. APPROVAL FOR PURCHASE OF TIRES

PRESENTED BY: Stuart Kent, Executive Director, Public Works

This is a request for City Council to approve the purchase of tires from various vendors for use on city vehicles across the organization. The purchase amount requested is consistent with the Fiscal Year (FY) 2012-13 approved budgeted amount of \$423,041.

CONSENT RESOLUTIONS

8. DOMESTIC VIOLENCE VICTIM SERVICES AND PROGRAM ENHANCEMENT GRANT

PRESENTED BY: Elizabeth Finn, Presiding Judge

RESOLUTION: 4617

This is a request for City Council to waive reading beyond the title and adopt a resolution authorizing the acceptance of a two-year \$300,000 grant from the U.S. Department of Justice Office on Violence Against Women. This grant will continue funding several domestic violence victim services and add program enhancements.

Resolution No. 4617 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 THE SUBMISSION AND ACCEPTING THE \$300,000 GRANT OFFER FROM THE U.S. DEPARTMENT OF JUSTICE, OFFICE ON VIOLENCE AGAINST WOMEN, FOR DOMESTIC VIOLENCE VICTIM SERVICES AND PROGRAM ENHANCEMENTS.

It was moved by Frate, and seconded by Martinez, to approve the recommended actions on Consent Agenda Item Nos. 1 through 8, including the approval and adoption of Resolution No. 4617 New Series; and to forward Special Event Liquor License Application for Sun Lakes Breakfast Lions Club and Liquor License Application No. 5-7093 for Babylon Gyros & Shish Kabobs, No. 5-7194 for La Cabana, and No. 5-7255 for Connolly's Bar & Grill to the State of Arizona Department of Liquor Licenses and Control, with the recommendation for approval. The motion carried unanimously.

BIDS AND CONTRACTS

9. PROFESSIONAL SERVICES AGREEMENT WITH GREATER PHOENIX ECONOMIC COUNCIL

PRESENTED BY: Dave McAlindin, Assistant Director, Economic Development

This is a request for City Council to authorize the City Manager to enter into a professional services agreement with the Greater Phoenix Economic Council (GPEC) for FY 2012-13 in the amount of \$88,636, for participation in and support of their regional economic development program.

It was moved by Martinez, and seconded by Knaack, to authorize the City Manager to enter into a professional services agreement with the Greater Phoenix Economic Council (GPEC) for FY 2012-13 in the amount of \$88,636, for participation in and support of their regional economic development program. The motion carried unanimously.

ORDINANCES

10. FISCAL YEAR 2012-13 BUDGET AMENDMENTS

PRESENTED BY: Sherry Schurhammer, Executive Director, Financial Services

ORDINANCE: 2818

This is a request for City Council to consider and approve Fiscal Year (FY) 2012-13 budget amendments. The City of Glendale's total FY 2012-13 budget appropriation across all funds is unchanged. This request includes only intra-fund budget transfers and does not include budget transfers between funds.

Staff is requesting that Council waive reading beyond the title and adopt an ordinance approving the FY 2012-13 budget amendments.

Sherry Schurhammer, Executive Director, Financial Services, provided a brief summary.

Councilmember Lieberman asked for a total for the transfers in terms of dollars. Ms. Schurhammer said she did not have that with her but will send it to him in the morning. Councilmember Lieberman asked if she at least had a guess. Ms. Schurhammer replied no but can bring the information before the meeting is over. Councilmember Lieberman agreed and added he wants that information presented to the public.

Ordinance No. 2818 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 2012-2013 BUDGET.

Ken Jones, an Ocotillo resident, stated the city needs many more budget adjustments. He said that at one time or another he has heard each Councilmember blame the economy for most of the city's financial problems. He noted that blaming the economy was a pitiful excuse. He explained other valley cities were working on new developments for their cities. He stated the only reason the city was in this shape it was because they got so tied into professional sports. It was time to admit the truth and stop spending money on a hockey team since they have cost the city \$50 million the last two years.

It was moved by Knaack, and seconded by Clark, to approve Ordinance No. 2818 New Series. Motion carried on a roll call vote, with the following Councilmembers voting "aye": Alvarez, Clark, Knaack, Martinez, Frate, and Scruggs. Members voting "nay": Lieberman.

11. FORMATION OF AN AUDIT COMMITTEE

PRESENTED BY: Diane Goke, Chief Financial Officer

ORDINANCE: 2819

This is a request for City Council to adopt an ordinance forming an audit committee. Such a committee is typical for most jurisdictions our size and is recommended by the Government Finance Officers Association (GFOA) as a component of prudent financial management and best practices.

Staff recommends Council waive reading beyond the title and adopt an ordinance amending Glendale City Code Chapter 2 (Administration), Article VIII (Boards, Commissions, etc.) by establishing an audit committee.

Diane Goke, Chief Financial Officer, provided the summary on this item.

Councilmember Lieberman thought this committee was supposed to please the citizens of Glendale. He inquired how that can happen if they only have two citizens on the committee and three citizen members. He believes this was a loaded vote against the citizens. He thinks it should be reversed with three civilians and two employees. He believes this was ridiculous since this was being done for the citizens. This was supposed to explain to the public why the city was in a financial hole.

Councilmember Alvarez remarked on the comments from several people suggesting the audit should come from an outside consultant to find exactly where the one billion dollars went. She believes they should have an audit immediately since people do not trust the Council anymore. They need to show the public they did nothing wrong and show where the money went. She will not vote for this committee audit and believes they need a consultant audit. However, she was not opposed to having the committee audit as a backup coming from the citizens, but not the Council. She hopes the auditor is someone they've never used.

Mayor Scruggs asked Ms. Goke to respond to how the audit fits in with the audit committee and where the city is in regards to initiating an audit.

Ms. Goke explained the city has an external audit done every year as part of the Arizona Revised Statute; therefore they are required to have that audit by law. They are currently having that process done.

Mayor Scruggs asked what does this audit committee have to do with the audit that is being conducted right now.

Ms. Goke stated this audit committee would have the charge of looking over the results of the external audit to make sure staff is following up on those findings.

Mayor Scruggs asked Councilmembers if that helped clarify in any way with regard to the concerns they and the community have.

Councilmember Alvarez stated people need to know what happened to the one billion dollars and start trusting the Council and staff again. She said something happened and they all need to know.

Councilmember Martinez remarked that these innuendos that something happened and that something went wrong were unreasonable. He explained that for anyone paying attention, it would have been apparent that most went to the stadium, libraries, ballpark etc. However, to say that something happened when it was fairly apparent was irrational. He added the great recession had a lot to do with it and for some to say it had nothing to do with it was just ludicrous. He asked Ms. Goke to explain what the annual audit does and what is examined.

Ms. Goke explained the external audit was performed on an annual basis to look for any inconsistencies and internal control issues with financial reports as well as performing tests on various transactions in the city.

Mr. Horatio Skeete, Acting City Manager, stated one of the things the external auditor does during the course of the review of the financial statements for the year, is to review every Council meeting and every action the Council takes during the course of the year and track if everything was done correctly according to regulations. This audit committee would start on the ground floor from the beginning of next year's audit and review the auditor findings. The committee will highlight concerns for the auditors, make recommendations for improvements, following up with staff, and bring to Council.

Mr. Skeete noted that as far as Councilmember Alvarez's remarks about the need for an external audit and an explanation for the \$1.1 billion in debt the city has, staff has provided a listing of projects and debt issuance at least twice to Council and the information was also on the city's website. However, he will be happy to provide the list again. He said these were all projects that were approved by Council as well as the debt issuance. He noted anyone can second guess whether or not any of those projects should have been done, but to insinuate that the \$1.1 billion debt was incurred without the knowledge of the Council or some impropriety was made was unfair to all involved in this process including the City Council. He indicated the economy had a great deal to do with this situation as well as other factors such as the debt that had been incurred in prosperous times. He noted that if not for the down turn in the economy, they would not be

having this conversation. Nevertheless, it was an injustice to Council and staff to insinuate that something irregular happened in this process. Some of the major items were libraries, PFC debt, arena, water bonds and transportation bonds, which are close to the \$1 billion about which Councilmember Alvarez was inquiring.

Councilmember Alvarez stated her remarks should not be an insult to the employees since they are not the last decision makers. She reiterated her previous comments that if the city has nothing to hide, they should welcome an outside auditor to look at the books. She said there were many questions and rumors starting in the community regarding this issue. She disagreed that everything has been done with transparency when even the Council has said they were not informed on some issues. She indicated the problem was not the employees but the leadership; therefore, they need to check into this situation and please the community. She was not against this audit committee, but against the Council being on this committee. She restated she was not accusing staff since they have done a good job; however, they have protected some management. She explained that even now, they have a budget that carries \$17 million for a team when they are laying-off employees.

Councilmember Lieberman agreed with Mr. Skeete's detailed explanation of the financial situation. However, he was still in favor of three civilians and two city staff for the audit committee. He suggested having a budget workshop with the audit people. He added they also need a closer working relationship with the audit committee. He does not remember ever getting a detailed letter from the auditor regarding any changes or recommendations.

Councilmember Clark asked Ms. Goke to explain what a comprehensive annual report was. Ms. Goke stated it was the results of their operations for the entire year. It includes detailed financial information, financial statements and assets in a comprehensive view which was about 150 pages long.

Councilmember Clark inquired how long the city had been doing those comprehensive annual financial reports. Ms. Goke replied for many years, probably since the 1980's.

Councilmember Clark asked if the comprehensive annual financial report included any of the information received from the external auditor. Mr. Goke replied yes.

Councilmember Clark commented there has been the implication of collusion between the consultants that produce the comprehensive annual financial report, the city's annual external auditor. The suggestion was being made that since the city was paying for it, it will return a favorable result to the city. She asked if there was some sort of code of ethics that external auditors have to follow with regards to the audits they perform. Ms. Goke replied there were certain standards that the outside external auditors need to maintain and they need to be independent of the city. In addition, they also have a peer review every year.

Councilmember Clark asked if the city has consistently used the same auditor over the last 30 years. Ms. Goke replied no. She explained the city goes out with an RFP just like any other process with which the city was involved.

Councilmember Martinez suggested that if anybody had questions on this matter, they can always write to the City Manager to get an answer. In regards to the \$17 million in the budget for the arena, the City Manager a week ago had presented alternatives including that the \$17 million will actually be \$ 11 million.

Mayor Scruggs asked Ms. Goke to give very easy instructions for people to follow as to how to find this financial information on the city's web site. The items that Mr. Skeete mentioned tonight come up to \$720 million worth of debt and that is for investment in the water system. She didn't know if sewer systems investments were in there too or just water and sewer system investments and the transportation system investments and in flood control management and investments in the Regional Public Safety Training Facility, Parking Garage, Media Center and Expo. So that comes to \$720 million of the \$1 billion. But if somebody goes to the City of Glendale website and they want to look at the budget they could find these debts there in the budget, correct?

Ms. Goke replied she was correct.

Mayor Scruggs asked if people want to find the city budget, what's the first thing they do. They go to the website and they have city officials, visitors, residents, businesses. What should they click on to start to find the city budget? Departments?

Ms. Goke stated they would click on departments and under that would be the budget.

Mayor Scruggs clarified they would go to departments and then there are all the A's and there are the B's and the C's. So in the B's they will see budget. Is that correct? Okay so they click on "budget". Now what do they have in front of them?

Ms. Goke stated a screen will come up that will direct them to the FY 13 budget and one of those is a schedule of debt.

Mayor Scruggs continued now they will see schedule of debt and over here it says what page number that's on and what was being looked at is the budget book. So let's say its page 349 or something, whatever, so now you scroll down until you get to page 349 and you will find the debt and the things that Mr. Skeete was talking about of where the debt actually is. It's the parks, whatever the bonds were sold for.

Ms. Goke said the public will find the payments that are related to that debt. She also suggested the public go to the debt management plans that were also on the city's website under "F" for Finance Department.

Mayor Scruggs commented the website was maybe not the easiest thing to navigate to if it hasn't been done before. So go to departments, and then look for finance, click on finance, and go to debt management plan and then anyone can read all the debt and what project it's associated with. Is that correct?

Ms. Goke replied yes.

Councilmember Lieberman commented on what Mr. Skeete said earlier regarding the \$1 billion in debt. He said the three items Mr. Skeete mentioned, the \$430,000 for water, \$200,000 for baseball and \$173,000 for the stadium, those three alone without any of the other seven he mentioned came to \$823 million. He said Mayor Scruggs also had the figures incorrect in her earlier comments.

Mayor Scruggs explained to Councilmember Lieberman, what she was doing was referring to non-sports related items. What Mr. Skeete was trying to say when he was speaking was that the debt is related to many investments in building, the infrastructure of the City of Glendale that have gone on for more than a decade. And he was trying to give examples because many times, because the public discussion is getting a little carried away, so the thought is that the billion in debt is all related to sports facilities. She continued that Mr. Skeete was trying to point out was that the billion in debt, which no one is disputing, is related to building the city that we know now and there are many things that are needed in the city especially when talking about things like flood control. When talking about water, or waste water operations, or about maintaining a landfill, or about building fire stations and buying fire trucks, all of that goes together into the debt that builds up to this billion. So she was referring to those items non-sports related and she thought she had made that very clear.

Councilmember Clark explained this debt has been incurred for more than ten years. She stated each payment debt was structured differently with different life cycles. Therefore, when they talk about this debt, it's not debt that comes due tomorrow or next year. She noted that all debt was looked at very carefully by staff to ensure it was in the best interest of the city. She remarked the recession had a lot to do with the city's financial problems. She explained that in 2006 to 2011, the city has lost \$16 million in state shared revenue as well as sales tax revenue around the same time period. She noted it was easy to say 'how could the Council be so irresponsible' but at the time they approved those decisions they did not believe they were being irresponsible.

Councilmember Clark asked Mr. Skeete if it would be safe to say that even now, the city was managing their debt. Mr. Skeete replied yes.

Councilmember Knaack stated that this ordinance was a good thing and was just another layer of transparency for the city, citizens, staff and Council. She believes this was a good thing. She added that the suggestion of having an outside audit was something the city already does and has been doing annually.

Ordinance No. 2819 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 2 (ADMINISTRATION), ARTICLE VIII (BOARDS, COMMISSIONS, ETC.) BY ESTABLISHING AN AUDIT COMMITTEE.

Ken Jones, an Ocotillo resident, stated he would like to discuss the audit. He said no one had made a misstatement on this issue but left out a lot of things. He noted that an audit doesn't mean anything if the public does not trust it or believe it. He explained the new candidates

welcome an independent audit and he sees no reason why they can't table this until the new Council was seated and let them make the recommendation. He realized he comes up here and speaks a lot but was doing it for other citizens who were afraid to come and speak. He noted the people did not trust this Council to provide the truth; therefore, they should table this item for the new Council that comes in January.

Arthur Thruston, a Cactus resident, talked about his experience with an audit of his company when it was sold. He explained the detailed accounting that has to be done. He also talked about the Fiesta Bowl audit that nearly tore the organization apart. Therefore, he believes the city needs an independent audit of each department to find out exactly where the money is going so the public can begin to trust the city again.

Mayor Scruggs commented she was not going to let this go because there are some things that seem to be totally confused. First of all it sounded to her that some people think the audit committee is going to conduct the audit, which is not at all the case. People say the city needs an outside external auditor, Ms. Goke explained they put out a request for proposals for external outside auditors and then one is chosen. She didn't know how much further outside you can go. And they are the ones that do it, not city staff. City staff does other audits internally, but to satisfy all the government financial reporting records the city has to have an external auditor which, to her understanding, the city has done and they are doing the work right now. Is that correct?

Mr. Skeete replied she was correct.

Mayor Scruggs commented this committee is not going to be auditing anything they are going to be overseeing and be a watch dog over what the professional auditor has done. Is that correct?

Mr. Skeete replied yes.

Mayor Scruggs asked what other kind of external auditor can there be other than the kind that is already hired? Is there another kind of external auditor that can be hired?

Mr. Skeete stated the auditor does a review of the financial statements and the financial transactions in context with the directions that were by Council during the course of the year. He explained there was another audit called a compliance audit that is similar to the process that the internal auditor conducts. This audit goes into the procedures and detail operations of all the different departments from an administrative stand point.

Mayor Scruggs commented there seems to be some concern among people from the community as to why this external audit is being done right now versus six months from now. Is there some sort of regulation or rules or something that say the city must have its audit done at a certain time?

Mr. Skeete explained the city audit must be completed no later than the end of December or six months after the close of the FY year.

Mayor Scruggs asked whose rule was that.

Mr. Skeete stated that was a state regulation.

Mayor Scruggs clarified the City of Glendale has an external auditor right now conducting an audit that is required by state law to be completed no later than December 31st of this year. And every year there is the same requirement that within six months after the end of the fiscal year, there must be an audit by a professional external auditing company of all transactions and has to be completed by December 31st of that year. That is what's happening right now. If not done, the city would be out of compliance with state law. The audit committee that may or may not be formed will have no part in conducting that audit other than to review findings, ask questions, send them back for 'this isn't clear', whatever, but those five people are not going to be conducting the audit. There may be other audits that go on throughout the year by the city auditor who is looking for compliance with other regulations, ways of doing business so forth, accuracy and filing reports which Mr. Skeete as the new Acting City Manager has said he would put on the internet for everybody to read. Is all that correct?

Mr. Skeete replied that was correct and added that under "City Auditor" on the website, there were already three audits posted. He noted the public should look under the city auditor to find the audit page.

Councilmember Lieberman stated the ordinance was not clear at all and needs to be rewritten.

Councilmember Clark agreed this audit keeps the city in compliance with state statutes with completing the tasks that must be completed by December 31st. She added should the new Council believe it necessary to call for an external audit; it will be their right and privilege. She asked the Mayor to call for the question.

It was moved by Martinez, and seconded by Knaack, to approve Ordinance No. 2819 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.

12. GROUND LEASE WITH VIESTE

PRESENTED BY: Stuart Kent, Executive Director, Public Works

ORDINANCE: 2820

This is a request for City Council to waive reading beyond the title and adopt an ordinance authorizing the City Manager to enter into a 30 year ground lease with Vieste SPE, LLC (Vieste) for six acres of city-owned property at the Glendale Municipal Landfill (Landfill).

Ordinance No. 2820 New Series was read by number and title only, it being AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING AND DIRECTING THE MAYOR AND/OR CITY MANAGER AND CITY CLERK TO EXECUTE A GROUND LEASE WITH

VIESTE SPE, LLC, FOR SIX ACRES OF LAND LOCATED AT THE GLENDALE LANDFILL, 11480 WEST GLENDALE AVENUE.

Councilmember Alvarez thought they were the first to start this project but apparently they have projects started in other countries.

Stuart Kent, Executive Director, Public Works, explained mixed waste processes were not unique and were all over the county, however, this process was a little different in terms of how they were phasing it.

Mark Branaman, project manager, Vieste Energy, stated the technology they were employing was commercially proven and viable and has been proved throughout the world.

Councilmember Alvarez asked if Mexico and Florida had any success with these types of projects. Mr. Branaman stated they have had great success and the company has had many achievements in this field in building these types of projects.

Councilmember Alvarez asked if this went through the RFP process.

Mr. Kent explained Vieste Energy approached the city about two years ago regarding this project; therefore there was not a separate RFP. They approached the city as a local partner to develop this type of a project. Over the past two years, other companies have approached the city with similar projects but those proposals were typically more costly to the city. The Vieste project is unique in that there is no city capitol going into the facility. The agreement is based on the waste they provide and the fees for the lease agreements before them today. Therefore, this was a much more straight forward arrangement and dramatically limits the amount of risks the city has in relation to other projects.

Councilmember Alvarez stated her concern was that others have not gone through the RFP process and also the city does not have any money. She said she does not want the city to lose anything else. She added she still does not know who these people were and needed more information on this item.

It was moved by Clark, and seconded by Frate, to approve Ordinance No. 2820 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

13. WASTE SUPPLY AGREEMENT WITH VIESTE

PRESENTED BY: Stuart Kent, Executive Director, Public Works

RESOLUTION: 4618

This is a request for City Council to waive reading beyond the title and adopt a resolution authorizing the City Manager to enter into a 30 year waste supply agreement with Vieste SPE,

LLC, and Vieste Energy, LLC, (Vieste) for the implementation of a mixed waste processing facility at the Glendale Municipal Landfill (Landfill).

Resolution No. 4618 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 THE CITY MANAGER TO EXECUTE THE “WASTE SUPPLY AGREEMENT” WITH VIESTE SPE, LLC, AND VIESTE ENERGY, LLC, FOR THE OPERATION OF A MIXED WASTE PROCESSING FACILITY LOCATED AT THE GLENDALE LANDFILL, 11480 WEST GLENDALE AVENUE.

It was moved by Clark, and seconded by Knaack, to pass, adopt and approve Resolution No. 4618 New Series. The motion carried. Aye: Clark, Frate, Martinez, Knaack and Scruggs. Nay: Alvarez and Lieberman.

14. INTERGOVERNMENTAL AGREEMENT WITH THE MARICOPA COUNTY DEPARTMENT OF TRANSPORTATION FOR USE OF CITY INSPECTORS ON NORTHERN PARKWAY

PRESENTED BY: Terry Johnson, Ph.D., Deputy Transportation Director, Transportation Services
RESOLUTION: 4619

Staff is requesting City Council waive reading beyond the title and adopt a resolution authorizing the City Manager to enter into an intergovernmental agreement (IGA) with Maricopa County for the use of city inspectors on the Northern Parkway project.

Resolution No. 4619 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 MARICOPA COUNTY DEPARTMENT OF TRANSPORTATION FOR CONSTRUCTION INSPECTION SERVICES FOR NORTHERN PARKWAY FROM SARIVAL AVENUE TO DYSART ROAD.

It was moved by Frate, and seconded by Lieberman, to pass, adopt and approve Resolution No. 4619 New Series. The motion carried unanimously.

15. MEMORANDUM OF UNDERSTANDING WITH THE ARIZONA DEPARTMENT OF PUBLIC SAFETY FOR COMMERCIAL VEHICLE ENFORCEMENT MATTERS

PRESENTED BY: Debora Black, Interim Police Chief
RESOLUTION: 4620

This is a request for City Council to authorize the City Manager to enter into a memorandum of understanding (MOU) with DPS for commercial vehicle enforcement matters. The MOU will allow the Police Department to access the Arizona Department of Public Safety (DPS) commercial vehicle inspection database.

Staff is requesting Council waive reading beyond the title and adopt a resolution authorizing the City Manager to enter into a MOU with DPS for commercial vehicle enforcement matters.

Resolution No. 4620 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 A MEMORANDUM OF UNDERSTANDING WITH THE ARIZONA DEPARTMENT OF PUBLIC SAFETY REGARDING COMMERCIAL VEHICLE ENFORCEMENT ON BEHALF OF THE GLENDALE POLICE DEPARTMENT.

It was moved by Clark, and seconded by Knaack, to pass, adopt and approve Resolution No. 4620 New Series. The motion carried unanimously.

NEW BUSINESS

16. REAPPOINTMENT OF CITY JUDGE

PRESENTED BY: Jim Brown, Acting Human Resources Director

This is a request for the City Council to reappoint City Judge John Burkholder to a four-year term. His current term expires October 31, 2012.

Councilmember Clark commented that in reviewing the materials they received, she did not read anything that made her feel uncomfortable about this appointment. She noted all the materials and letters of recommendation provided speak to the outstanding work he has done for the city. Therefore, Council was very pleased to reappoint him.

Vice Mayor Frate congratulated Judge Burkholder on his reappointment.

Councilmember Martinez also offered his congratulations.

Councilmember Knaack offered her congratulations and added they were very proud to have him as a judge in their city.

Mayor Scruggs thanked Judge Burkholder for his service. She commented it's not always the easiest thing to do but Council knows that he has a real passion for it, his profession, and his service. She commented that he has a great loving family and thanked them for coming here tonight. She thought it was very special that they were all here.

It was moved by Frate, and seconded by Lieberman, to reappoint City Judge John Burkholder to a four-year term. 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, October 16, 2012, to be

followed by an Executive Session pursuant to A.R.S. 38-431.03. The motion carried unanimously.

CITIZEN COMMENTS

Bill Demski, a Sahuaro resident, explained that everybody agrees they were \$1.1 billion in debt but if they add the interest its closer to \$2 billion in debt. He talked about foreclosures in his neighborhood which were still happening. He stated he worked for the city for 17 years and knows what it's all about. He said there were a lot of kings and queens working for the city and was talking about Ed Beasley and Alma Carmicle who left the city broke and still received money from the city. He also talked about the 20 police volunteers who received large amounts of overtime pay for the landfill search. He said one received close to \$63,000 in overtime pay while another received \$42,419. He said the total overtime for this project was \$3.8 million in overtime and compensation. He noted now they have to cut out libraries and other services. He stated that on top of all that, the city gave out \$85,000 in raises last year and now wants to raise taxes. He indicated people were already being taxed to death with all the city taxes they have to pay. He stated that in 1993, he went to speak with the City Manager and Mayor Scruggs about possible illegal activities and was eventually fired for rocking the boat.

Ken Jones, an Ocotillo resident, stated he attended one of the city's Vote No on Prop 457 meetings last night at Desert Mirage School. He said few people attended the meeting and the city had twice as many staff members as people attending. He noted there were 54 in the building and only 18 citizens came to see what was going on. Therefore, the city had 36 people trying to convince 12 citizens to vote no on Prop 457 since the others had already made up their minds to vote yes. He reiterated that if the city quits giving millions to the Coyotes there won't be any need to have layoffs. He said they only need one Councilmember to change their vote on the Coyotes and stop supporting Mr. Jamison. He explained that supporting the Coyotes means more debt to the city and the inability to restructure their debt with the bond companies.

Bob Stratton, a Yucca resident, stated he was here on behalf of the Glendale Airport Pilots Association to explain their view on the subject of the hangars. He said he was concerned with the management of the airport as it exists. In his mind the airport was on a downward spiral. He talked about the lawsuit the city had to settle in the amount of \$2 million. As a result of the lawsuit the FAA was notified of other possible violations which threaten future grant money until the situation is resolved. He said he and many other hangar owners bought their hangars and are not leasing them. He explained that when he and others bought their hangars they were not aware only their airplanes were allowed to be stored in the hangar. He added his hangar was inspected by city personnel on an annual basis and he was told everything was acceptable. He stated that in 2011 a new game plan was formed regarding inspections and storage and ever since then it has been nothing but a disaster. He discussed some harassing letters he has received. In short, the city failed in a lawsuit attempt and the city's problem all of a sudden became the hangar owner's problem which up to then was a non-problem. He said many were very disgruntled and what was once a busy area now has 150 hangars that are empty.

Arthur Thruston, a Cactus resident, stated he would like to reference the Forrest Gump movie and the statement "Stupid is as stupid does" which is a part of all of their lives if they are not

Careful. He would like to correct Mr. Ken Jones regarding the figure of \$320 million since he recently found out it will not be costing them \$25 million a year but \$11 million. However, to make up for their stupidity, they have brilliantly tacked on at the end of the arena agreement \$375 million to \$380 million. He said this was just a bunch of numbers that nobody understands. He said this was simply outrageous. He stated the city has lost every casino court case and still wants to move forward to the Supreme Court which they think they might win. He said it was absurd that they city still wants to continue to fight this even when they have lost every time.

Rod Williams, an Ocotillo resident, stated he was shocked that the internal auditor did not work under the direction of the Council. He commented on the \$25 million that was taken from the sanitation fund. He said he was told there was a promissory note to pay back those funds; however, there was no note to be found. He said next year the city was planning to raise water and sewer rates in order to keep their bond rating. He noted this was why people were concerned with some of the Council's actions when money is taken and no one knows about it until something comes up and people start asking questions.

COUNCIL COMMENTS AND SUGGESTIONS

Councilmember Lieberman reiterated they made a mistake on approving the audit committee. He said he wanted to tell the Cactus citizens he has enjoyed serving them for 21 years. He explained he will only be here for one more Council meeting since his last day working for the city was October 30th and he has resigned effective that date. He believes whoever wins his seat can possibly have an early seating on the Council. He thanked the citizens of Glendale for the great opportunity to serve them faithfully. He will sorely miss his constituents but will not miss working on this Council and was glad he was escaping early.

Vice Mayor Frate stated he was glad to announce that a lot of streets have been paved in the Sahuaro District. He also mentioned a new RV business that recently located to Glendale. He reminded everyone to watch children around water.

Councilmember Martinez invited everyone to an open house on October 20th from 10:00 a.m. to 12:00 noon at the Foothills Library. He explained he was making this change to see if attendance improves. He stated staff will be on hand to answer any questions. He also congratulated new Interim Assistant City Manager Mr. Mehta.

Councilmember Knaack commented on Mr. Jones' remarks that very few people attended the information meeting regarding Prop 457. She stated this was very disheartening to her to see the city making every effort to inform the public on these important issues and the public is just not there. She invited everyone to the next two community meetings to see where the city was regarding these important issues. She encouraged everyone to attend and voice their opinion and hear what the city has to say in this coming election. She also congratulated new Interim Assistant City Manager Mr. Mehta and thanked staff for all their work in these trying times.

Mayor Scruggs stated she would like to speak briefly on a different subject but one that is extremely serious. She had an opportunity to visit the President of the Glendale Arizona Historical Society recently and he told her they were considering very, very seriously stopping

all tours of Sahuaro Ranch Park as well as all of the assistance to the brides that are having their weddings in the Rose Garden because of the dwindling number of volunteers. And the volunteers that they do have have health issues and have said they just can't keep up the pace. One of the things the City of Glendale has that many, many other communities do not have is just a marvelous inventory of historical assets. And everyone has worked hard over the last couple of decades to really save those parts of the community that tell Glendale's history.

Mayor Scruggs continued to preserve them and to keep them open to the public to learn about the city to maybe reminisce about their childhood and so forth. And to think the city is on the verge of maybe no longer being able to offer that to visitors, to residents is just an extraordinarily sad, sad thing. So she was reaching out every way she could and asking others to also think whether they had an interest in giving time to volunteer. It's a beautiful place, the history is great, and it's very rewarding or whether you know somebody who does. And young people are welcome also, high school students or anybody who wants to give even if it's maybe just one Saturday a month or something. If she was reaching anybody here in the audience this evening or listening on television and they had an interest, please call the Mayor's office at 623-930-2260 and leave contact information and the Mayor's office will pass the information on to the Historical Society. This is a need that is needed right now, not a year from now, but right now. And she hoped that anyone listening will say that is something they would really like to do and give it a try. Thank you for listening.

ADJOURNMENT

There being no further business, the meeting was adjourned at 9:27 p.m.

Pamela Hanna

Pamela Hanna - City Clerk