

City of Glendale Council Special Workshop & Executive Session Agenda

September 12, 2012 - 1:30 p.m.

Regular workshop meetings are telecast live at 1:30 p.m. on the first and third Tuesday of the month. Repeat broadcasts are telecast the first and third week of the month - Wednesday at 3:00 p.m., Thursday at 1:00 p.m., Friday at 8:30 a.m., Saturday at 2:00 p.m., Sunday at 9:00 a.m. and Monday at 2:00 p.m. on Glendale Channel 11.

Welcome!

We are glad you have chosen to attend this City Council workshop. We hope you enjoy listening to this informative discussion. At these "study" sessions, the Council has the opportunity to review and discuss important issues, staff projects and future Council meeting agenda items. Staff is present to answer Council questions. Members of the audience may also be asked by the Council to provide input.

Form of Government

Glendale follows a Council-Manager form of government. Legislative policy is set by the elected City Council and administered by the Council-appointed City Manager.

The City Council consists of a Mayor and six Councilmembers. The Mayor is elected every four years by voters city-wide. Councilmembers hold four-year terms with three seats decided every two years. Each of the six Councilmembers represent one of the six electoral districts and are elected by the voters of their respective districts (see map on back).

Workshop Schedule

Council workshops are held on the first and third Tuesday of each month at 1:30 p.m. in the Council Chambers of the Glendale Municipal Office Complex, 5850 W. Glendale Avenue, Room B-3, lower level. The exact dates of workshops are scheduled by the City Council at formal Council meetings. The workshop agenda is posted at least 24 hours in advance.

Agendas may be obtained after 4:00 p.m. on the Friday before a Council meeting, at the City Clerk's Office in the Municipal Complex. The agenda and supporting documents are posted to the city's Internet web site, www.glendaleaz.com.

Executive Session Schedule

Council may convene in "Executive Session" to receive legal advice and discuss land acquisitions, personnel issues, and appointments to boards and commissions. As provided by state statute, this session is closed to the public.

Questions or Comments

If you have any questions or comments about workshop agenda items or your city government, please call the City Manager's Office at (623) 930-2870.

If you have a concern you would like to discuss with your District Councilmember, please call (623) 930-2249, Monday - Friday, 8:00 a.m. - 5:00 p.m.

Public Rules of Conduct

The presiding officer shall keep control of the meeting and require the speakers and audience to refrain from abusive or profane remarks, disruptive outbursts, applause, protests, or other conduct which disrupts or interferes with the orderly conduct of the business of the meeting. Personal attacks on Councilmembers, city staff, or members of the public are not allowed. Engaging in such conduct, and failing to cease such conduct upon request of the presiding officer will be grounds for removal of any disruptive person from the meeting room, at the direction of the presiding officer.

Citizen Participation

The City Council does not take official action during workshop sessions; therefore, audience comments on agenda items are made only at the request of the presiding officer.



**** For special accommodations or interpreter assistance, please contact the City Manager's Office at (623) 930-2870 at least one business day prior to this meeting. TDD (623) 930-2197.**

**** Para acomodacion especial o traductor de español, por favor llame a la oficina del administrador del ayuntamiento de Glendale, al (623) 930-2870 un día hábil antes de la fecha de la junta.**

Councilmembers

Norma S. Alvarez - Ocotillo District
H. Philip Lieberman - Cactus District
Manuel D. Martinez - Cholla District
Joyce V. Clark - Yucca District
Yvonne J. Knaack - Barrel District



MAYOR ELAINE M. SCRUGGS

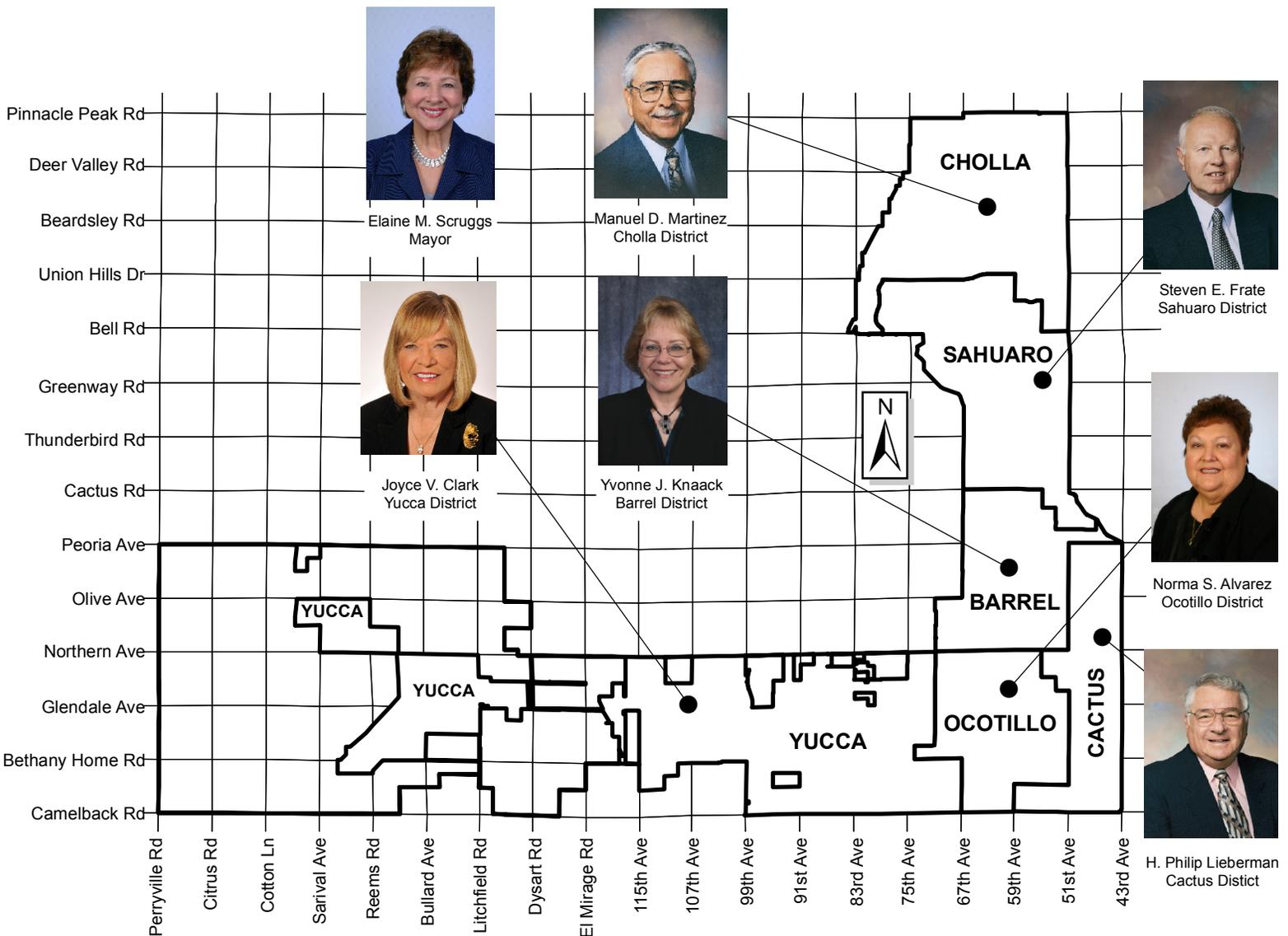
Vice Mayor Steven E. Frate - Sahuaro District

Appointed City Staff

Horatio Skeete - Acting City Manager
Craig Tindall - City Attorney
Pamela Hanna - City Clerk
Elizabeth Finn - City Judge



Council District Boundaries





GLENDALE CITY COUNCIL SPECIAL WORKSHOP & EXECUTIVE SESSION
Council Chambers – Workshop Room
5850 West Glendale Avenue
September 12, 2012
1:30 p.m.

One or more members of the City Council may be unable to attend the Workshop or Executive Session Meeting in person and may participate telephonically, pursuant to A.R.S. § 38-431(4).

WORKSHOP SESSION

1. BUDGET DISCUSSION

PRESENTED BY: Horatio Skeete, Acting City Manager

CITY MANAGER'S REPORT

This report allows the City Manager to update the City Council. The City Council may only acknowledge the contents to this report and is prohibited by state law from discussing or acting on any of the items presented by the City Manager since they are not itemized on the Council Workshop Agenda.

EXECUTIVE SESSION

1. LEGAL MATTERS

A. The City Council will meet with the City Attorney for legal advice, discussion and consultation regarding the city's position in pending or contemplated litigation, including settlement discussions conducted in order to avoid or resolve litigation. (A.R.S. § 38-431.03(A)(3)(4))

2. LEGAL MATTERS – PROPERTY & CONTRACTS

A. Discussion and consultation with the City Attorney and City Manager to receive an update, consider its position and provide instruction and direction to the City Attorney and City Manager regarding Glendale's position in connection with agreements associated with the Arena and the Hockey Team, which are the subject of negotiations. (A.R.S. § 38-431.03(A)(3)(4)(7))

Upon a public majority vote of a quorum of the City Council, the Council may hold an executive session, which will not be open to the public, regarding any item listed on the agenda but only for the following purposes:

- (i) discussion or consideration of personnel matters (A.R.S. § 38-431.03(A)(1));
- (ii) discussion or consideration of records exempt by law from public inspection (A.R.S. § 38-431.03(A)(2));
- (iii) discussion or consultation for legal advice with the city's attorneys (A.R.S. § 38-431.03(A)(3));
- (iv) discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid or resolve litigation (A.R.S. § 38-431.03(A)(4));
- (v) discussion or consultation with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations with employee organizations (A.R.S. § 38-431.03(A)(5)); or
- (vi) discussing or consulting with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. § 38-431.03(A)(7)).

Confidentiality

Arizona statute precludes any person receiving executive session information from disclosing that information except as allowed by law. A.R.S. § 38-431.03(F). Each violation of this statute is subject to a civil penalty not to exceed \$500, plus court costs and attorneys' fees. This penalty is assessed against the person who violates this statute or who knowingly aids, agrees to aid or attempts to aid another person in violating this article. The city is precluded from expending any public monies to employ or retain legal counsel to provide legal services or representation to the public body or any of its officers in any legal action commenced for violation of the statute unless the City Council takes a legal action at a properly noticed open meeting to approve of such expenditure prior to incurring any such obligation or indebtedness. A.R.S. § 38-431.07(A)(B).

Items Respectfully Submitted,



Horatio Skeete
Acting City Manager



CITY COUNCIL REPORT

Meeting Date: 9/12/2012
Meeting Type: **Workshop**
Title: **BUDGET DISCUSSION**
Staff Contact: **Horatio Skeete, Acting City Manager**

Purpose and Policy Guidance

The purpose of this presentation is to provide the City Council with an overview of the five-year budget projection for the City of Glendale, examining three possible financial scenarios and the implications on the city's current Fiscal Year (FY) 2012-13 budget.

This meeting is for Council information only. Future Council Workshops will be conducted to update Council and receive direction on these matters.

Background Summary

The city is currently operating under the FY 2012-13 balanced budget as approved by Council in June 2012. Further, Council increased city revenue by adopting an ordinance amending City Code to increase the sales and use tax rate across most categories to 2.9% with an effective date of August 1, 2012. The tax rate for single item retail and use tax purchases exceeding \$5,000 remained at 2.2%

As Council is aware, the recent court ruling resulted in a decision to place the citizens' sales tax initiative on the ballot for the November 6, 2012 General Election. The potential for reduced revenues due to the outcome of the election raised concerns as to whether the city can afford to proceed with the previously negotiated Arena Management Agreement. As such, Council has directed the City Manager to renegotiate the Arena Management Agreement, and prepare a five-year budget projection to help move the city forward and rebalance the FY 2012-13 budget.

The City Manager will present to Council a series of five-year budget projections that may include the following scenarios. Each of the scenarios will include potential debt refinancing and cash flow analysis for this year.

1. City sales tax stays in place and potential successful renegotiation of Arena Management Agreement.
2. City sales tax goes away and potential successful renegotiation of Arena Management Agreement.
3. City sales tax goes away and unsuccessful renegotiation of the Arena Management Agreement resulting in the Phoenix Coyotes leaving Glendale.



CITY COUNCIL REPORT

Previous Related Council Action

On June 26, 2012, Council adopted an ordinance amending Glendale City Code imposing a two-level tax structure on sales and uses of tangible personal property exceeding \$5,000 at the tax rate of 2.2% with an effective date of August 1, 2012. The tax rate increase is scheduled to expire in August 2017 and the annual revenue anticipated to be generated by this increase is approximately \$25 million.

On June 12, 2012, Council adopted an ordinance and resolution approving the final FY 2012-13 operating, capital, debt service, and contingency appropriation budget and increased the sales and use tax rate to 2.9%

On June 8, 2012, Council adopted an ordinance and resolution authorizing the Arena Lease and Management and Noncompetition and Non-relocation agreements with Arizona Hockey Arena Partners, LLC and Arizona Hockey Partners, LLC for use of the city-owned Jobing.com Arena by the Phoenix Coyotes.

Community Benefit/Public Involvement

Glendale's budget is an important financial, planning and public communication tool. It gives residents and businesses a clear and concise view of the city's direction for public services, ongoing operations, and capital facilities and equipment. It also provides the community with a better understanding of the city's ongoing needs for stable revenue sources to fund public services, ongoing operations, and capital facilities and equipment.

A series of Council workshops and voting meetings were conducted to receive public input and formally approve the Arena agreements, FY 2012-13 final budget, and the 2.2% tax rate increase. These public meetings were advertised in the Glendale Star, and the agendas were posted on the city's official website at <http://www.glendaleaz.com/Clerk/agendasandminutes/index.cfm>

Additional workshops will be held in the coming months to receive Council input regarding proposed changes to the FY2012-13 budget, and a series of public meetings will be scheduled to receive public input prior to Council adoption.