

**GLENDALE CITY COUNCIL WORKSHOP SESSION**  
**COUNCIL CHAMBERS - WORKSHOP ROOM**  
**5850 West Glendale Avenue**  
**January 18, 2005**  
**1:30 p.m.**

**WORKSHOP SESSION**

1. [TOTAL COMPENSATION IMPLEMENTATION](#) – 1 HOUR
2. [SALT RIVER PROJECT DROUGHT UPDATE](#) – 30 MINUTES
3. [ANNEXATION ANALYSIS: 115<sup>TH</sup> AVENUE – PERRYVILLE ROAD](#) – 1 HOUR
4. [UTILITIES FRANCHISE ELECTIONS](#) – 30 MINUTES
5. [CHARTER AMENDMENTS FOR ELECTION CHANGE](#) – 30 MINUTES

**CITY MANAGER’S REPORT**

**This report allows the City Manager to update the City Council about issues raised by the public during Business from the Floor at previous Council meetings or to provide Council with a response to inquiries raised at previous meetings by Council members. 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.**

**COUNCIL COMMENTS AND SUGGESTIONS**

**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 and contemplated litigation, including settlement discussions conducted in order to avoid or resolve litigation. (A.R.S. §38-431.03 A.3 & A.4) – 30 Minutes
2. LEGAL MATTERS – PROPERTY & CONTRACTS
  - A. Discussion/consultation with the City Attorney and City Manager to receive an update, to consider its position, and to provide instruction/direction to the City Attorney and City Manager regarding Glendale's position in connection with contracts, agreements and/or development agreements related to the development of a hotel and surrounding amenities in the area in, near, surrounding or related to the Arena and Multi-Purpose Stadium sites that are the subject of negotiations. (A.R.S. §38-431.03 A.2, A.3, A.4 & A.7) – 30 Minutes
  - B. Discussion/consultation with the City Attorney and City Manager to receive an update, to consider its position, and to provide instruction/direction to the City

Attorney and City Manager regarding Glendale's position in connection with contracts, agreements and/or development agreements related to public and private development of the area in, near, surrounding or related to the Arena and Multi-Purpose Stadium sites that are the subject of negotiations. (A.R.S. §38-431.03 A.2, A.3, A.4 & A.7) – 30 Minutes

### 3. LEGAL MATTERS – DEVELOPMENT AGREEMENTS

- A. Discussion/consultation with the City Attorney and City Manager to receive an update, to consider its position, and to provide instruction/direction to the City Attorney and City Manager regarding Glendale's position in connection with possible terms of a development agreement with a company considering relocation of its warehouse/showroom/office facility within the Glendale Airpark, which is the subject of negotiations. (A.R.S. §38-431.03 A.4) – 30 Minutes
  
- B. Discussion/consultation with the City Attorney and City Manager to receive an update, to consider its position, and to provide instruction/direction to the City Attorney and City Manager regarding Glendale's position in connection with possible terms of a development agreement with a company considering relocation of its manufacturing facility within the Glendale Airpark, which is the subject of negotiations. (A.R.S. §38-431.03 A.4) – 30 Minutes

**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 Requirements Pursuant to A.R.S. §38-431.03(C) & (D): Any person receiving executive session information pursuant to A.R.S. §38-431.02 shall not disclose that information except to the Attorney General or County Attorney by agreement of the City Council, or as otherwise ordered by a court of competent jurisdiction.**



CITY OF GLENDALE

# Council Communication

## Workshop Agenda

01/18/2005  
Item No. 1

TO: Honorable Mayor and City Council  
FROM: Ed Beasley, City Manager  
PREPARED BY: Alma Carmicle, Human Resources Director  
SUBJECT: **TOTAL COMPENSATION IMPLEMENTATION**

### *Purpose*

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- This is an opportunity for City Council to receive an update on recruitment and retention challenges and the opportunities to address those challenges with various implementation strategies from the Total Compensation Study recommendations.

### *Council Policies Or Goals Addressed*

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- In 1999, Council approved a comprehensive study of the city's compensation structure to determine if the city's pay structure ensured a level of competitiveness in attracting and retaining key talent.

### *Background*

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- In 1998, the city began to lose employees in key technical and managerial positions.
- In 1999, Council approved a comprehensive study of the city's compensation structure.
- In September 2001, the country experienced a national disaster, which shifted the focus to Public Safety and also resulted in a national economic downturn.
- In March of 2002, Watson Wyatt presented the Mayor and Council with final findings and recommendations regarding the compensation study conducted for the City of Glendale. Moreover, the Mayor's Compensation Task Force reviewed the Watson Wyatt study and concluded with the following recommendations:
  - Shift to Market Pay Focus
  - Develop Step Rate System for Public Safety
  - Introduce New Merit Pay Approach
  - Add Incentive Pay
  - Modify Employee Benefits

- Recommendations from Watson Wyatt also included a phased implementation over a three-year period.
- In 2003, Human Resources recommended the city adopt a total compensation approach to address organizational pay, benefit and intangible rewards.

## *Previous Council/Staff Actions*

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- In February of 2004, the city gave employees a one time across the board lump sum increase.
- In July of 2004, the city adjusted the ranges by 2% based on market comparisons and reinstated merit increases for eligible employees.
- In November 2004, Human Resources completed a market study to determine the city's competitiveness in terms of geography and industry.
- Results of the market study indicate that the city continue to fall below market for certain technical, professional and managerial positions.

## *Budget Impacts & Costs*

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- The recommendations are proposed in a three-year phased approach in which increases to the salary budget will be necessary for pay range adjustments.
- Implementation of various components of the Total Compensation approach will bring the city to more competitive levels overall in the market.
- Upon direction by Council, additional funding will be requested via the regular annual budget process for the various programs that make up the Total Compensation package.
- Due to critical market competitiveness the city had to make adjustments to Police Officer classification. Salary adjustments to bring current officers to the new range minimum were accomplished with the use of salary savings.
- Due to internal equity considerations the city made adjustment to Fire Fighter classification. Currently there are approximately 57 incumbents of the Fire Fighter classification below the minimum of the new pay grade. The cost to bring the incumbents to the new minimum is \$207,286.

## *Direction/Policy Guidance*

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Review and provide staff direction regarding Total Compensation implementation for the second year of the phased approach and salary adjustments to achieve Public Safety equity.



CITY OF GLENDALE

# Council Communication

## Workshop Agenda

01/18/2005  
Item No. 2

TO: Honorable Mayor and City Council  
FROM: Ed Beasley, City Manager  
PREPARED BY: Doug Kukino, Environmental Resources Director

SUBJECT: [SALT RIVER PROJECT DROUGHT UPDATE](#)

### *Purpose*

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- This is a request by the Salt River Project (SRP) to brief City Council on the current Arizona drought conditions and key Salt River Project water resource issues.
- The discussion will help to provide the City Council with a broad understanding of the water resource challenges facing Arizona and Glendale.

### *Council Policies Or Goals Addressed*

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- Water availability from the SRP during the current drought is a major concern to Glendale. It has direct impacts on the quality of life and public safety of the community.

### *Background*

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- Arizona is presently experiencing one of the worst droughts in the past 100 years.
- SRP provides the city with approximately two-thirds of the city's annual raw water supply.
- In September 2004, the SRP Board of Directors decided that the water allocation for 2005 would remain at 2 acre-feet per acre. This is the third consecutive year that SRP has decided to allocate lower than normal water allocations to their customers, including Glendale.
- SRP's allocation is normally 3 acre-feet per acre in a non-drought year. The water demand on city lands entitled to SRP water is approximately 2.3 acre-feet per acre. The city utilizes Central Arizona Project water and city groundwater to meet the SRP water deficit.
- Total city water demand fell about 6 percent in 2003. The current 2004 water demand is approximately equal to the 2003 water demand.

## *Previous Council/Staff Actions*

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- Council adopted the city's Drought Management Plan in June 2004.
- In accordance with the Drought Management Plan, the City Manager declared a Stage 1 Drought Watch in July 2004. The city is still capable of providing adequate water services throughout the community. Under Stage 1, the city targets a 5 percent reduction in overall water use by city facilities. Businesses and residents are asked to use water wisely, but measures are voluntary.

## *Direction/Policy Guidance*

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The presentation is intended to provide Council with general information.



CITY OF GLENDALE

# Council Communication

## Workshop Agenda

01/18/2005  
Item No. 3

TO: Honorable Mayor and City Council

FROM: Ed Beasley, City Manager

PREPARED BY: Ken Reedy, Deputy City Manager  
Kate Langford, Senior Planner

SUBJECT: [ANNEXATION ANALYSIS: 115<sup>TH</sup> AVENUE – PERRYVILLE ROAD](#)

### *Purpose*

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- This is a request for the City Council to review the Phase I and Phase II analysis area comparisons and the staff identified policy issues list.
- Workshop #3 is the beginning of the discussion of detailed analysis results for the Phase I and II analysis areas. Policy questions have been identified by staff in hopes that these questions will be helpful to the Council in determining what order they would like to discuss the topics at subsequent workshops.

### *Council Policies Or Goals Addressed*

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- Glendale 2025, the city's General Plan, includes specific goals addressing the need for growth management. Annexation is a tool that can be used by the city to direct and manage growth.
- The Annexation Policy, adopted in December 2003, indicates specific priorities for annexation activities east of 115<sup>th</sup> Avenue. The area west of 115<sup>th</sup> Avenue was left for additional discussion at some future date. These workshops are intended to address the area west of 115<sup>th</sup> Avenue.

### *Background*

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- In 1977 and 1978, the city created boundaries outlining an area referred to as the strip annexation area.
- The entire strip annexation area is approximately 38 square miles in size and is generally bounded by Peoria and Northern Avenues on the north, 115<sup>th</sup> Avenue on the east, Bethany Home and Camelback Roads on the south, and Perryville Road on the west.

- At the two previous workshops on this issue an overview of the Phase I and Phase II areas were provided to the Council. The Phase I area extends from Litchfield Road east to 115<sup>th</sup> Avenue, while the Phase II area is from Litchfield Road west to Perryville Road.
- It has been shown during the previous workshops that Phase I and II offer different opportunities to the city.
  - Phase I comes with a significant service demand existing today. Approximately half of the area has been developed residentially. The remainder of the 8.8 square mile area is identified for employment type uses by the Glendale General plan. There is minimal impact to the Phase I area by the 65-ldn noise contour boundary.
  - Phase II differs in that only 15% of the 26 square mile area is developed. The residential development in the area is very limited to date, however, that is changing quickly. Approximately half of the area is located within the 65-ldn-noise contour and has land use limitations placed upon it by legislation that has been adopted since 2000. Loop 303 is located in the western portion of the Phase II analysis area and provides a significant opportunity for future retail and employment growth.
- The areas of least immediate impact to the city are those areas that have not yet been developed. Annexation of undeveloped land does allow for Glendale to grow into these new areas as development occurs in the future.
  - In Phase I this would be the area generally north of Glendale.
  - Since Phase II is predominately undeveloped this would include the entire area with perhaps the exception of Sections 27, 3, 2, and portions of 10 and 15. These sections contain either developed “large lot” horse properties or are developing with new subdivisions such as Russell Ranch and Cortessa.
- There is also a difference to be considered between annexing areas that will develop into residential verses non-residential uses.
  - Residential uses require the full spectrum of city services, programs and facilities while providing a limited fiscal return to the city.
  - Non-residential uses [retail and employment] provide significant returns to the community. Retail uses provide fiscal returns to the city in the form of sales tax revenue. Employment uses provide for a stable community and provide job opportunities for Glendale residents so that more residents can live and work within their home community. Thus reducing the daily migration numbers going out of or through Glendale to go to their jobs in Phoenix and other valley locations.
- The City may choose to annex all or portions of the strip annexation area. As long as the statutory requirements are met, annexation within the strip-annexed area is viewed as a reduction in the largest county island within Glendale’s boundaries.

## *Previous Council/Staff Actions*



- Phase I Annexation Analysis was presented to the Council at the December 7, 2004 workshop. The Phase I area is located on the east side of Litchfield Road and extends to 115<sup>th</sup> Avenue.
- At the Council workshop of December 21, 2004 the Phase II Annexation Analysis overview was presented. Phase II analysis area encompasses the area between Litchfield Road to Perryville Road and Peoria Avenue to Camelback Road.

## *Community Benefit*

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- The potential annexation of all or a part of the strip annexation area could provide the following benefits to the community:
  - Glendale can direct the destiny of any annexed areas.
  - Allow Glendale's land use designations and development standards to apply to this area.
  - Loop 303 provides a five-mile long "window" for future retail and employment development.
  - Strengthen Glendale's ability to protect Luke AFB from encroachment.
  - Add population for state-shared revenue calculations.
  - Provide additional employment area and residential growth for Glendale.

## *Direction/Policy Guidance*

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Staff is seeking direction from the Council on the following:

1. Are there other issues that the Council would like to add to the policy issue list for future discussion?



CITY OF GLENDALE

# Council Communication

## Workshop Agenda

01/18/2005  
Item No. 4

TO: Honorable Mayor and City Council

FROM: Ed Beasley, City Manager

PREPARED BY: Kenneth A. Reedy, Deputy City Manager

SUBJECT: **UTILITIES FRANCHISE ELECTIONS**

### *Purpose*

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- This is a request for City Council to consider the City of Glendale's position and direct staff with regard to the terms and conditions of the proposed utilities franchise agreements with Southwest Gas and Arizona Public Service (APS).
- Glendale has agreements with Southwest Gas and APS that are set to expire on June 14, 2005. To insure continuity of service, it is necessary for Glendale to negotiate a new franchise agreement with each utility and hold an election to approve the franchises.

### *Council Policies Or Goals Addressed*

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- Council has a policy of recovering Glendale costs and allowing citizens to have the highest quality services that are affordable and appropriate. These franchise agreements will allow the utilities to use public rights of way and do business in the City of Glendale.
- Staff has reviewed the proposed agreements and met with each utility company to negotiate the best terms available in the local market. Neighboring municipalities have approved franchises with the same utilities that afford them significant improvements over previous agreements. Glendale will be able to benefit from the same terms.

### *Background*

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- The significant issues in the negotiations focus on the franchise fee, the city's transaction privilege tax, and the recoverable costs for conducting business in the City of Glendale.
- The Model City Tax Code, Section 21.1-480(d) provides utilities with a tax credit offset to franchise fees pursuant to the terms of the franchise. In substance, Southwest Gas and APS have agreed to waive the offset and pay the requisite tax.

## *Previous Council/Staff Actions*

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- Council approved the existing agreement on June 14, 1980 with APS. Southwest Gas was created out of the previous Arizona Public Service Company and a franchise transfer was approved by Glendale on November 6, 1984 for Southwest Gas Corporation to run until June 14, 2005.

## *Community Benefit*

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- A new franchise agreement with Southwest Gas would allow them to continue serving all gas customers in the city without interruption in service.
- A new franchise agreement with Arizona Public Service would allow them to continue serving all electric customers in the city without interruption in service.

## *Public Input*

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- An election will be required to allow citizens to approve the agreements. It is proposed that an election is held on May 17, 2005. The call for election would need to be made by Council on January 25, 2005.

## *Budget Impacts & Costs*

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- The proposed franchise changes will benefit the City through increased revenues. The current Southwest Gas franchise generated \$287,193 in FY 2003-04. The total estimated revenue from the new Southwest Gas franchise would be \$579,143 based on FY 2003-04 sales. The current APS franchise generated \$1.7 million in FY 2003-04. The proposed APS franchise would generate an estimated \$3.3 million in revenue based on FY 2003-04 sales. Including both franchises, the new revenue to the city would total approximately \$1.9 million.

## *Direction/Policy Guidance*

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Staff is seeking direction from Council on the proposed franchise changes and the call for a franchise election on May 17, 2005.



CITY OF GLENDALE

# Council Communication

## Workshop Agenda

01/18/2005  
Item No. 5

TO: Honorable Mayor and City Council

FROM: Ed Beasley, City Manager

PREPARED BY: Pamela Hanna, City Clerk

SUBJECT: [CHARTER AMENDMENTS FOR ELECTION CHANGE](#)

### *Purpose*



- This is a request for City Council to review and provide direction regarding referral of election related charter amendments to the voters.
- The charter amendment would change the city's regular election dates to September and November in even numbered years. Supporting charter amendments would set the terms and induction of the Mayor and City Councilmembers to coincide with the revised election dates.

### *Council Policies Or Goals Addressed*



- One of the City Council's strategic priorities is increasing citizen involvement in government. Scheduling municipal elections concurrent with regular county elections will increase voter participation in city elections and reduce costs to the city.

### *Background*



- Currently, the Glendale City Charter sets the time of municipal primary elections in March and general elections in May. Changing the time of elections to a fall election cycle, September and November, will require a Charter amendment. Charter amendments must be submitted to the vote of citizens of Glendale and approval by the Governor.
- Potentially, a special franchise election will be conducted on May 17, 2005. The deadline for submitting ballot language to Maricopa County is February 3, 2005. In order to meet this deadline, the City Council must refer charter amendments to the voters by ordinance at their January 25, 2005 City Council meeting.
- The next election opportunity is the May 2006 General Election. If the charter amendments were approved at this election, the next regular city primary and general elections would be held in September and November 2008, respectively.

## *Previous Council/Staff Actions*

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- At the City Council Workshop July 6, 2004, Mayor Scruggs directed that information regarding changing from a spring to fall election cycle be brought to Council as an Item of Special Interest.
- The City Council discussed changing from a spring to fall even year election cycle at their October 5, 2004 and January 4, 2005 Workshops. The question posed for the current workshop session is whether there will be a special franchise election in May 2005 and whether the Charter amendment to change the election cycle should be included with that election.

## *Community Benefit*

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- Municipal elections provide the city's registered voters with an opportunity to make their choices known.
- Consolidating with Maricopa County Elections allows citizens to be active in the election process while reducing the number of trips to the polls.
- A greater number of citizens will be a part of the election process in Glendale.

## *Budget Impacts & Costs*

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- The approximate cost of a special election is \$100,000. It is customary that the franchisees pay all or a negotiated portion of the costs of a special franchise election. Therefore, if there is a special franchise election May 2005 and it is determined that the Charter amendment proposition should be placed before the voters in May 2005, the costs of that election may be split with the franchisor.

## *Direction/Policy Guidance*

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Staff is seeking direction on which of the election options is preferred for the charter amendments.