

GLENDALE CITY COUNCIL WORKSHOP SESSION
Council Chambers – Workshop Room
5850 West Glendale Avenue
October 4, 2005
1:30 p.m.

WORKSHOP SESSION

1. [FY 2004-05 YEAR END REPORT ON THE GENERAL FUND](#) – 30 MINUTES
2. [DEVELOPMENT IMPACT FEES ANALYSIS](#) – 30 MINUTES
3. [FOLLOW-UP REPORT ON COUNCIL ITEMS OF SPECIAL INTEREST](#) – 30 MINUTES
4. [COUNCIL ITEMS OF SPECIAL INTEREST](#) – 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)(4)) – 30 Minutes
2. LEGAL MATTERS – PROPERTY & CONTRACTS
 - A. The City Council will meet with the City Attorney and staff for legal advice, discussion and consultation regarding the city’s position and to instruct staff regarding negotiations for the purchase and acquisition of real property along the Bethany Home Road alignment between 91st Avenue and SR 101 that is the subject of negotiations. (A.R.S. §§38-431.03 (A)(3)(7)) – 30 Minutes
3. PERSONNEL MATTERS

A. Various terms have expired on Boards and Commissions. The City Council will be discussing appointments involving the following Boards and Commissions. (A.R.S. §38-431.03(A)(1)) – 30 Minutes

1. Arts Commission
2. Aviation Advisory Commission
3. Board of Adjustment
4. Citizens Advisory Commission On Neighborhoods
5. Citizens Bicycle Advisory Committee
6. Citizens Transportation Oversight Commission
7. Commission On Persons With Disabilities
8. Community Development Advisory Committee
9. Historic Preservation Commission
10. Housing Advisory Commission
11. Industrial Development Authority
12. Judicial Selection Advisory Board
13. Library Advisory Board
14. Parks and Recreation Advisory Commission
15. Personnel Board
16. Planning Commission
17. Risk Management/Worker's Compensation Trust Fund Board

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

10/04/2005
Item No. 1

TO: Honorable Mayor and City Council

FROM: Ed Beasley, City Manager

PRESENTED BY: Sherry M. Schurhammer, Director, Budget Department

SUBJECT: FY 2004-05 YEAR-END REPORT ON THE GENERAL FUND

Purpose

- This is a request for City Council to review the unaudited Fiscal Year (FY) 2004-05 year-end report on the General Fund (GF) expenditures and revenues.

Council Policies Or Goals Addressed

- The FY 2004-05 year-end report on the GF is consistent with the Council's goal of ensuring the city's financial stability through timely reviews of expenditures and revenues.

Background

- In response to requests from Council, staff committed to providing quarterly reports on the GF beginning with FY 2003-04.
- The GF's year-end revenue budget and actuals are as follows (in 000s):

	<u>FY05 Budget</u>	<u>FY05 Actuals</u>
City Sales Tax	\$ 48,216	\$ 52,498
State Income Tax	\$ 19,749	\$ 20,115
State Sales Tax	\$ 17,311	\$ 20,271
State Motor Vehicle In-Lieu	\$ 8,026	\$ 9,368
Highway User Revenue Funds	\$ 15,382	\$ 15,909
Primary Property Tax	\$ 3,595	\$ 3,576
All Other	<u>\$ 26,302</u>	<u>\$ 25,790</u>
TOTAL	\$138,581	\$147,527

- As the preceding list shows, FY 2004-05 year-end GF revenue receipts are \$8.9 million, or 6.5% more than budgeted.
- City sales tax receipts, which account for almost 35% of the city's total GF revenue budget, exceeded expectations by \$4.3 million, or 8.9%.
- FY 2004-05 city sales tax receipts total \$52.5 million. FY 2003-04 collections were \$49.8 million. Therefore, FY 2004-05 collections are \$2.7 million, or 5.5%, ahead of FY 2003-04 year-end collections.
- State-shared revenues performed very well for FY 2004-05, with receipts exceeding budget by almost \$4.7 million or 10.4%.
- FY 2004-05 state-shared revenue total \$49.8 million. FY 2003-04 collections were \$47 million. Therefore, FY 2004-05 collections are \$2.7 million, or 5.8%, ahead of FY 2003-04 year-end collections.
- Highway User Revenue Funds (HURF) are revenues commonly known as the gas tax although there are several additional transportation related fees that comprise this revenue source. This revenue source exceeded the FY 2004-05 budget for HURF by \$527,000.
- There is a notable one-time source of revenue reflected in the FY 2004-05 year-end actuals. The sale of parcels at the Northern Crossing development generated approximately \$809,500 in FY 2004-05. In FY 2003-04, the sale of parcels at the Northern Crossing development generated \$7.3 million in GF revenue.
- The FY 2004-05 full-year budget and actuals for the GF operating and pay-as-you-go (PAYGO) capital expenditures are as follows (in 000s):

	<u>FY05 Budget</u>	<u>FY05 Actuals</u>
GF Salaries/Benefits	\$ 88,409	\$ 84,399
GF Non-Personnel	\$ 48,592	\$ 40,722
GF Debt Service (leases)	\$ 4,391	\$ 4,231
PAYGO Capital	<u>\$ 3,642</u>	<u>\$ 1,307</u>
TOTAL	\$145,034	\$130,659

- Salary savings for FY 2004-05 totaled \$4 million.
- Non-salary savings for FY 2004-05 totaled almost \$7.9 million.
- Overall, the city continues to be conservative in its spending as evidenced by the fact that the FY 2004-05 GF expenditures were almost \$14.4 million less than budget.
- At the end of FY 2004-05, the budget-basis GF fund balance was just under \$59.2 million. This is \$7.2 million more than the budget-basis GF fund balance of just under \$52 million at the start of FY 2004-05.

Previous Council/Staff Actions

- The FY 2004-05 third quarter report was presented to City Council on June 7, 2005.

Direction/Policy Guidance

- This is a status report on the General Fund through the end of FY 2004-05. No Council action is required on this report.



CITY OF GLENDALE

Council Communication

Workshop Agenda

10/04/2005
Item No. 2

TO: Honorable Mayor and City Council

FROM: Ed Beasley, City Manager

PRESENTED BY: Sherry M. Schurhammer, Management and Budget Director
Ken Reedy, Deputy City Manager

SUBJECT: **DEVELOPMENT IMPACT FEES ANALYSIS**

Purpose

- This is a request for City Council to review the proposed increases in Development Impact Fees (DIF), as presented in reports prepared by TischlerBise and Black & Veatch, and provide direction for the following DIF categories: library; parks, recreation and open space; police; fire/emergency medical services; general government; solid waste; roadway improvements; water; and sewer.

Council Policies Or Goals Addressed

- The DIF update is consistent with the Council's goal of maintaining the city's financial stability.
- The city's financial policy, as published in the city's annual budget document, states that "Revenues from growth or development should be targeted to development, or invested in improvements that will benefit future residents or make future service provision efficient."

Background

- On October 12, 2004, Council approved the selection of Tischler & Associates (subsequently named TischlerBise) to provide this update for the city's development impact fees, with the exception of water and sewer. TischlerBise completed the city's prior DIF updates in 2000 and 2001. TischlerBise also has done impact studies for Avondale, Buckeye, Carefree, Casa Grande, Coolidge, Eloy, El Mirage, Flagstaff, Gilbert, Goodyear, Northwest Fire District, Peoria, Phoenix, Queen Creek, Scottsdale, Surprise and Tolleson.

- TischlerBise prepared an updated report that reflects proposed increases to the city’s impact fees, excluding water and sewer. Black & Veatch prepared an updated report on the water and sewer DIF. The two FY 2004-05 DIF studies document the city’s cost to maintain current levels of service while accommodating new development.
- The two DIF updates are based on planning and zoning information, existing levels of service provided to current resident, and the FY 2005-14 Capital Improvement Plan.
- The proposed fees do not include proposed annexation areas west of 115th Avenue. Based on Council direction regarding levels of service for the various DIF categories. Staff recommends a separate update to include recently annexed areas.
- The proposed fees do not include projects funded by the Glendale Onboard Transportation Program because the capital projects in that program have a separate and dedicated funding source.
- The following table reflects the proposed changes for a single-family detached residential unit for the categories reviewed:

Single Family Detached Residential Unit			
Categories	Current	Proposed	Variance
Library	\$514	\$606	\$92
Parks, Recreation, Open Space	\$1,091	\$2,072	\$981
Police	\$359	\$383	\$24
Fire/EMS	\$339	\$408	\$69
General Gov't	\$660	\$934	\$274
Solid Waste	\$264	\$301	\$37
Roadway Improvements*	\$613	\$1,160	\$547
Water (3/4-inch meter)	\$4,200	\$5,910	\$1,710
Sewer (3/4-inch meter)	\$1,740	\$1,780	\$40
TOTAL	\$9,780	\$13,554	\$3,774

* Formerly named Transportation

- As the preceding table shows, the current impact fees for a single-family detached residential unit total \$9,780. The proposed impact fees total \$13,554.
- The comparison of DIF for various cities is not an apples-to-apples comparison because each city offers different levels of service to its residents. The impact fees charged vary by city for each category based on the level of service that each city currently provides for its residents.
- In addition, many cities do not charge impact fees for each category. For example, Mesa does not charge a DIF for the Roadway Improvements and Solid Waste categories. Goodyear, Surprise, and Queen Creek do not charge a DIF for the Solid Waste category. Queen Creek also does not charge a DIF for the Fire/EMS category. Gilbert does not charge a DIF for the Library category.

- Below is a listing of other communities and the total impact fee charged for a single-family detached residential unit:

Peoria (North & Central proposed)	\$17,170
Chandler (effective Feb 06)	\$13,582
Glendale (proposed)	\$13,554
Peoria (North & Central current)	\$12,942
Gilbert	\$11,984
Goodyear	\$10,963
Phoenix (Deer Valley I)	\$10,689
Chandler (current)	\$10,181
Avondale	\$9,999
Queen Creek	\$9,881
Surprise	\$8,613
Mesa	\$4,740

- Impact fees are one-time charges to developers that are used to offset capital costs resulting from new development. They are necessary to expand and develop new facilities to serve new growth so cities can continue to provide the same level of service to new growth as that provided to existing residents.
- In addition, by having growth pay for growth, the city is able to maintain the existing level of service for current residents. Otherwise, existing residents could potentially experience a decline in the level of services they receive.
- Developers pay DIF when they construct new residential and commercial developments. Development fees relate only to capital facility development/expansions benefiting new development and are not to be utilized for rehabilitation efforts or operating expenses.
- Once Council has determined that the impact fees need to be adjusted, the city is required to follow an adoption process that complies with the Arizona State laws pertaining to fees and rates. That process will include: posting the study for public review, publishing a notice in the newspaper, adopting a resolution of intent to raise fees, conducting a public hearing to allow input on the proposed fees, and adopting an ordinance amendment making the desired changes. The new fees will become effective 90 days after the adoption of the ordinance.

Previous Council/Staff Actions

- DIF for parks, water and sewer have existed for several years. Fees for streets, library and public safety were implemented in 1997. Fees were implemented for solid waste (sanitation and landfill), roadways and general government in 2000. The public safety fee was separated into police facilities and fire/emergency medical services in 2001.
- In 1997, the Council requested that the fees be revisited and updated every three years.

- The last update for library; parks, recreation and open space; police; fire/emergency medical services; general government; solid waste; and roadway improvements was completed in 2001 and adopted by City Council on October 9, 2001, with an effective date of January 10, 2002.
- The last update for water and sewer DIF was completed in 2003 and adopted by City Council on May 25, 2004, with an effective date of August 2, 2004.

Public Input

- On June 14, 2005, staff and TischlerBise met with representatives from the Homebuilders Association of Central Arizona and the Arizona Multifamily Housing Association to discuss the technical aspects of the development fee methodology and supporting data for the proposed development impact fees for all categories except water and sewer.
- On July 18, 2005, staff and Black & Veatch met with representatives from the Homebuilders Association of Central Arizona and the Arizona Multifamily Housing Association to discuss the technical aspects of the development fee methodology and supporting data for water and sewer DIF.

Direction/Policy Guidance

- Provide direction on proposed increases in the following categories for development impact fees: library; parks, recreation and open space; police; fire/emergency medical services; general government; solid waste; roadway improvements; water; and sewer.
- Provide direction regarding the recommendation to conduct development impact fee updates every two years rather than every three years.
- Provide direction regarding the recommendation to conduct a separate development impact fee study to include proposed annexation areas west of 115th Avenue.



CITY OF GLENDALE

Council Communication

Workshop Agenda

10/04/2005
Item No. 3

TO: Honorable Mayor and City Council

FROM: Ed Beasley, City Manager
PRESENTED BY: Cathy Gorham, Director of City Manager Relations
Craig Tindall, City Attorney

SUBJECT: **FOLLOW-UP REPORT ON COUNCIL ITEMS OF SPECIAL INTEREST**

Purpose

- This is a request for City Council to review and provide direction related to the following Council Items of Special Interest:
 - a) Creation of a salary commission to review rates of pay for elected officials
 - b) Consideration of a ban on the use of non hands-free cell phones while driving, with the exception of the public safety and city personnel on official business
 - c) Consideration of forming a short-term Council Subcommittee focused on preparing for major events coming to the city

Background

- Council “Items of Special Interest” are discussed quarterly in workshop according to a Council procedural guideline adopted in Fall 2002.
- The attached memorandums provide brief assessments of topics identified by members of the Council at the July 5, 2005 workshop.

Previous Council/Staff Actions

- At the July 5, 2005 workshop, Mayor Scruggs asked for consideration of a salary commission that would be charged with reviewing the rates of pay for elected officials and determining the pay levels appropriate to the duties and responsibilities of the offices. She

recognized that any recommendations for increases would then have to be placed before Glendale voters in a future election.

- Councilmember Goulet suggested a ban on the use of non hands-free cell phones and asked staff to research this issue.
- Councilmember Clark asked Council to consider the formation of a short-term Council Subcommittee focused on preparation for major events coming to the city. Councilmember Lieberman also asked for such a committee.

Direction/Policy Guidance

Review and provide staff direction on:

1. Creation of a salary commission to review rates of pay for elected officials
2. Consideration of a ban on the use of non hands-free cell phones while driving, with the exception of safety personnel and personnel on city business
3. Formation of a short-term Council Subcommittee focused on preparing for major events coming to the city.



CITY OF GLENDALE

Council Communication

Workshop Agenda

10/04/2005
Item No. 4

TO: Honorable Mayor and City Council

FROM: Ed Beasley, City Manager

SUBJECT: **COUNCIL ITEMS OF SPECIAL INTEREST**

Purpose

- This is the quarterly opportunity for City Council members to identify topics of interest they would like the City Manager to research and assess for placement on a future workshop agenda.

Council Policies Or Goals Addressed

- In Fall 2002, Council approved a procedural guideline allowing for topics of special interest to be identified quarterly.

Budget Impacts & Costs

- The initial assessment of each item requires staff time.

Direction/Policy Guidance

Identify items of special interest that Council wants the City Manager to assess.