

City of Glendale Council Workshop & Executive Session Agenda

December 18, 2012 9:00 a.m.

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.

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. These meetings provide Council with an opportunity to hear a presentation by staff on topics that may come before Council at a voting meeting. There is no Citizen Comments portion on the workshop agenda.



**** 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
Ian Hugh - Cactus District
Manuel D. Martinez - Cholla District
Joyce V. Clark - Yucca District
Yvonne J. Knaack – Barrel District



MAYOR ELAINE M. SCRUGGS

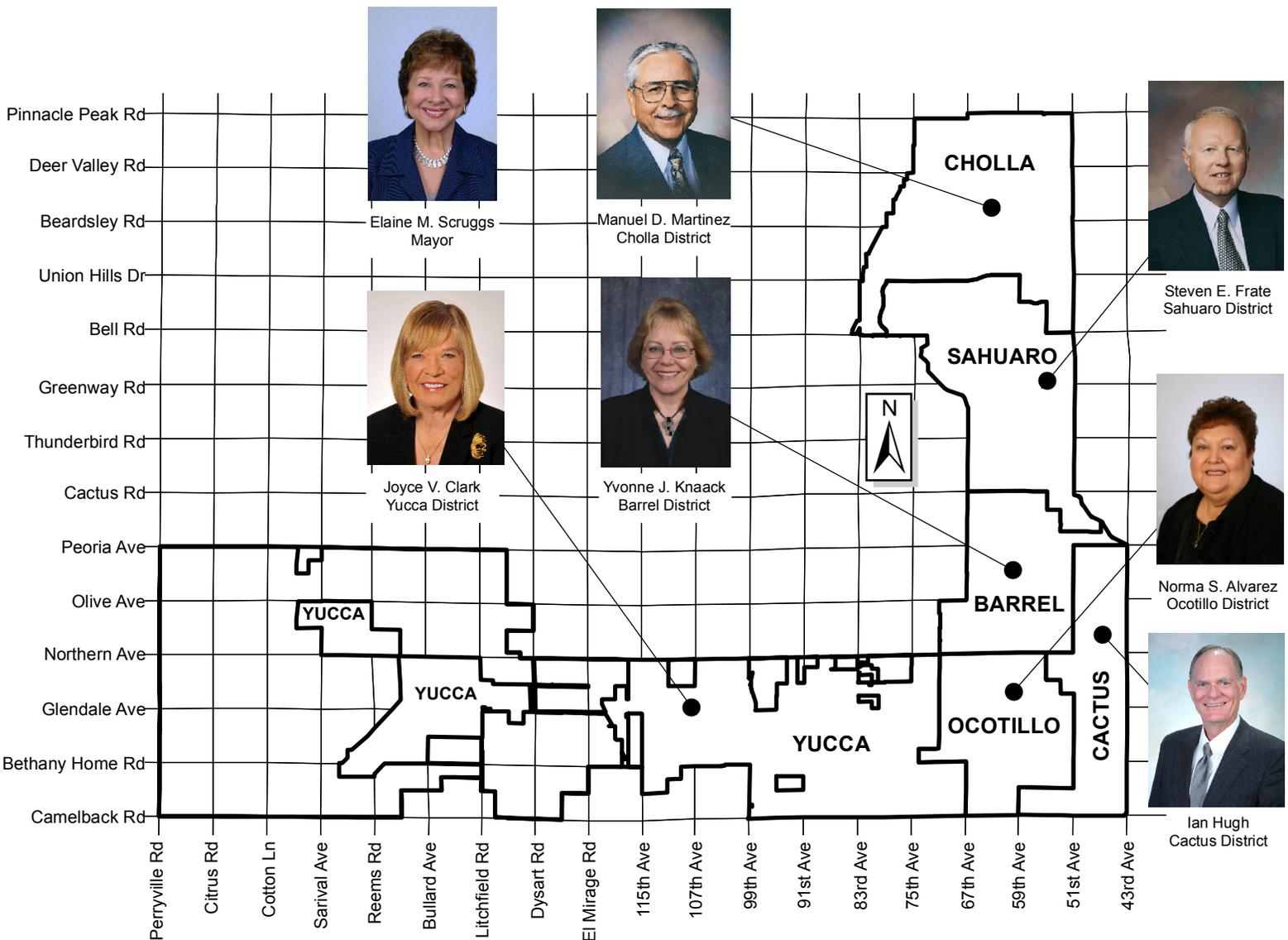
Vice Mayor Steven E. Frate - Sahuaro District

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 WORKSHOP SESSION
Council Chambers
5850 West Glendale Avenue
December 18, 2012
9:00 a.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. AD-HOC CITIZEN TASK FORCE ON WATER AND SEWER
PRESENTED BY: Craig Johnson, P.E., Executive Director, Water Services
2. PROPOSED BUDGET REDUCTIONS AND REORGANIZATION STRUCTURES
PRESENTED BY: Sherry Schurhammer, Executive Director, Financial Services
Horatio Skeete, Acting City Manager
3. FISCAL YEAR 2012-13 MID-YEAR ADJUSTMENTS TO PUBLIC SAFETY BUDGETS
PRESENTED BY: Debora Black, Interim Police Chief
Mark Burdick, Fire Chief

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: **12/18/2012**
Meeting Type: **Workshop**
Title: **AD-HOC CITIZEN TASK FORCE ON WATER AND SEWER**
Staff Contact: **Craig Johnson, P.E., Executive Director, Water Services**

Purpose and Policy Guidance

The Citizen Task Force on Water and Sewer has completed the established meeting schedule and has formulated a comprehensive report for the Council's review and consideration. This is for Council information and discussion.

Background Summary

The Council established an Ad-Hoc Citizen Task Force on Water and Sewer to provide citizens with an opportunity to learn about the various functions, processes, and considerations required to provide water and wastewater services to the community, and to make policy recommendations for Council consideration.

The Task Force came together through a facilitated consensus building process and has formulated recommendations in five areas of focus on Glendale's water and sewer utility. The Task Force objective was, "To develop a shared understanding between the Task Force and the City on the management, sustainability, and value of water and its impact on the community by reaching consensus recommendations to ensure the well-being and quality of life of Glendale residents and businesses." Many of the recommendations support current business practices and procedures of the department, and the Task Force emphasized they would like to see these continued. The Task Force report also includes new policy considerations, and recommendations for future implementation.

The attached report documents the work they accomplished and provides a detailed account of the exercises they participated in to reach consensus on the final recommendations. The overwhelming majority of the Commissioners expressed appreciation for the opportunity to serve on the Task Force.

Previous Related Council Action

On January 24, 2012, Council adopted an ordinance establishing the Ad-Hoc Citizen Task Force on Water and Sewer.



CITY COUNCIL REPORT

On December 20, 2011, Councilmember Clark, as Chair of the Government Services Committee, made a presentation to Council on the proposed citizen task force on water and sewer.

At the September 6, 2011 Workshop, staff presented the preliminary framework for the establishment of a citizen task force on water and sewer, with a follow-up presentation made to the Government Service Committee on November 1, 2011.

At the June 7, 2011 Workshop, as a Council Item of Special Interest, Mayor Scruggs requested a preliminary report on the establishment of a citizen task force which would educate the participants on the operational processes, demands, and rate policies associated with Glendale's water and sewer utility.

Attachments

Staff Report

Final Report



STAFF REPORT

To: **Horatio Skeete, Acting City Manager**
From: **Craig Johnson, P.E., Executive Director, Water Services**
Item Title: **AD-HOC CITIZEN TASK FORCE ON WATER AND SEWER**
Requested Council Meeting Date: **12/18/2012**
Meeting Type: **Workshop**

PURPOSE

This is a request to provide City Council with an update and presentation on the report and policy recommendations of the Ad-Hoc Citizen Task Force on Water and Sewer.

BACKGROUND

On January 24, 2012, Council adopted an ordinance establishing the Ad-Hoc Citizen Task Force on water and sewer in response to a Council Item of Special Interest made by Mayor Scruggs. The Task Force was asked to provide Council with policy-related recommendations for Glendale's water and sewer utility.

A total of 55 members were appointed representing each Council district to serve on the Task Force. Forty-four members remained active until the completion. The members attended 11 meetings and participated in two site tours over a period of nine months. The desired outcome of the Task Force was, "To develop a shared understanding between the Task Force and the City on the management, sustainability, and value of water and its impact on the community by reaching consensus recommendations to ensure the well-being and quality of life of Glendale residents and businesses."

Staff presentations were made to the Task Force addressing services provided by the Water Services Department. Members were educated on water resources planning, water/wastewater treatment, water distribution, wastewater collections, storm water management, urban irrigation, billing and customer services, and financial planning. The education process provided an opportunity for Task Force Members to learn and understand the value of water and the work performed by the department.

Numerous group discussions regarding water and wastewater related topics and issues were held and a variety of perspectives and viewpoints were voiced and heard by the Task Force Members. Through a facilitated consensus building process, the Task Force came together to complete a comprehensive report with recommendations in five areas of focus for the Council's review and consideration. Many of the recommendations support current business practices and procedures of the department, and the Task Force emphasized they would like to see these continued. The



STAFF REPORT

Task Force also has recommendations for future implementation and new recommendations for Council's consideration.

Overall, the Citizen Task Force on Water and Sewer was a successful endeavor. The overwhelming majority of the Task Force expressed appreciation for the opportunity to serve, and expressed a new found appreciation for the water we use every day in our daily lives. In addition, staff learned more about the specific concerns of the citizens we serve, and were able to share our passion, knowledge, and expertise for the service we provide with the Task Force.

Citizen Task Force on Water and Sewer

A Citizen's Advisory Committee Report

*To the Mayor and City Council
of the City of Glendale, Arizona*



Final Report

December 18, 2012

December 18, 2012

Mayor Elaine Scruggs
Vice Mayor Steven Frate, Sahuaro District
Councilmember Norma Alvarez, Ocotillo District
Councilmember Joyce Clark, Yucca District
Councilmember Yvonne Knaack, Barrel District
Councilmember Manny Martinez, Cholla District
Councilmember Ian Hugh, Cactus District

Dear Mayor and Council:

In April 2012, the Glendale City Council established an Ad Hoc Citizen Task Force on Water and Sewer to provide citizens with an opportunity to learn about the various functions, processes, and considerations required to effectively provide water services for the community, and to make consensus policy recommendations for Council consideration.



CTF Tour at Pyramid Peak Water Treatment Plant

Task Force Membership



Council sought to appoint 10 Task Force Members per Councilmember to include 10 appointees by the Mayor for a potential Task Force membership of 70. Initially 55 representatives were appointed. Some attrition occurred through the process, and ultimately the Task Force membership consisted of 44 citizens representing a diverse set of backgrounds, experience, perspectives, and interests. Considerable dedication and commitment was required. Innumerable hours were spent in

attendance at meetings and site tours, and in discussions and topic study in order to provide the members' best opinions and recommendations. Based on the level of technical experience of some members, these hours represent a significant contribution to the City at no cost.

The Desired Outcome

The desired outcome for the Task Force was to develop a shared understanding between the Task Force and the City on the management, sustainability and the value of water and its impacts on the community by reaching consensus recommendations to ensure the well-being and quality of life of Glendale residents and businesses.

The Task's Force Effort

Task Force Members, through a series of 11 meetings and two worksite tours, were provided an extensive educational program covering the following areas:

- A. The Value of Water
- B. Water Resources Sustainability
- C. Conservation and Sustainable Living Public Outreach
- D. Water Quality Testing
- E. Water Production and Treatment Processes
- F. Water Distribution and Metering
- G. Wastewater Collection
- H. Wastewater Treatment and Water Reclamation
- I. Storm Water Management
- J. Urban Irrigation Services
- K. Billing and Customer Services
- L. Financial Planning



CTF Facilitated Exercise

Information was provided by subject matter experts from Water Services, Financial Services and consultants. Numerous group discussions regarding the topics and issues were held and a variety of perspectives and viewpoints was heard by the Task Force Members. Task Force members engaged in robust discussions with an opportunity for all to have their voice heard before coming to consensus.

A webpage was established where all the materials were posted and public comments could be made to the Task Force. The following link is the webpage location on the city's website.

www.glendaleaz.com/BoardsandCommissions/AdHocCitizenTaskForceonWaterandSewer.cfm



CTF Tour Wastewater Collections

Through a comprehensive facilitated process consensus was achieved reflecting a well-defined agreement among the Task Force Members. Recommendations are grouped into five focus areas to include:

- I) Financial Planning, Billing, and Customer Service;
- II) Public Involvement and Community Education;
- III) Regional Collaboration and Water Resources Sustainability;
- IV) Operations and Infrastructure; and
- V) Employee Development, Retention, Safety and Productivity

The Task Force Members appreciate the outstanding service provided by the consultant Michael Ashcraft, and the Water Services staff.

The Task Force Members believe these recommendations for Council consideration are in the best interest of the city to ensure residents and businesses of the City of Glendale are provided with affordable, reliable and sustainable water and wastewater services.

Respectfully signed and submitted,

The Citizen Task Force on Water and Sewer



Vincent Abeyta
 Vincent Abeyta

Jamie Aldama
 Jamie Aldama

Terrence Arnold
 Terrence Arnold

Brian Bates
 Brian Bates

Jack Bethel
 Jack Bethel

Manuel Cruz
 Manuel Cruz

Kevin Frei
 Kevin Frei

Marlowe Myers Garay
 Marlowe Myers Garay

James Grose
 James Grose

Theodora Hackenberg
 Theodora Hackenberg

Kenneth Knickerbocker
 Kenneth Knickerbocker

John Krystek
 John Krystek

Jonathan Liebman
 Jonathan Liebman

Vickie Loya
 Vickie Loya

Ricki Ray
 Ricki Ray

Bob Richards
 Bob Richards

Roger Schmeijohn
 Roger Schmeijohn

Gary Sherwood
 Gary Sherwood

Charlene Sharp
 Charlene Sharp

Bob Stratton
 Bob Stratton

Matthew Versluis
 Matthew Versluis

Rod Williams
 Rod Williams

Bud Zomok
 Bud Zomok

Brent Ackzen
 Brent Ackzen

John Arnett
 John Arnett

Harry Bailey
 Harry Bailey

Burt Becker
 Burt Becker

Bernadette Bolognini
 Bernadette Bolognini

Camille Donley
 Camille Donley

Brian Gallimore
 Brian Gallimore

Barbara Garland
 Barbara Garland

Donald Gross
 Donald Gross

Pattie Johnston
 Pattie Johnston

Fred Kriess
 Fred Kriess

Al Lenox
 Al Lenox

Gary Livingston
 Gary Livingston

Gail Meyers
 Gail Meyers

Steven Rex
 Steven Rex

Glenn Russell
 Glenn Russell

Becky Shady
 Becky Shady

Robert Steiger
 Robert Steiger

Ron Short
 Ron Short

Marlene Versluis
 Marlene Versluis

Michael Wood
 Michael Wood

Task Force Recommendations

I. FINANCIAL PLANNING, BILLING, AND CUSTOMER SERVICE

A. Enterprise Fund Protection

The Water and Sewer Enterprise Fund shall be used for only Water and Sewer operations and overhead, and shall not be transferred to other City funds.

A. Financial Planning

The City should establish and administer a long-range financial plan that guides decisions regarding water and wastewater rates. The City's water and wastewater financial plan should be based on the following principles:

- a) Rates should be based on revenue requirements to cover projected operational and maintenance costs related to water and sewer, lender debt service obligations, capital improvement program funding needs; and maintain adequate reserves for emergencies, and debt-service ratios.
- b) Rates should be based on the cost of services while maintaining high quality services, balancing competing demands, and managing rate affordability.
- c) Rates should be designed to conform to federal and state requirements and guidelines.
- d) The financial plan should be reviewed and approved by the Water Services Advisory Commission and Council on an annual or as needed basis as part of the budget process.

B. Billing

- a) The City should effectively manage its customer billing system and meet community needs and expectations by providing accurate, consistent and timely billing services.
- b) Water and Sewer rate structure and an explanation of the rates and supporting factual rate setting information should be provided on the City's website.
- c) The City should resolve delinquent accounts and unpaid bills through the implementation of best management practices and in accordance with Fair Debt Collection Act.

C. Customer Service

The City should meet the needs and expectations of the community by providing courteous, timely, and reliable customer service.

D. Water and Wastewater Commission

The City shall create an appointed Water Services Advisory Commission to review and analyze policies, including financial policies, relating to water and wastewater services. The Commission should advise the City Council on water and wastewater policies by providing recommendations ensuring the citizens of the City of Glendale are provided a reliable, high quality and economical water supply, and a stable, environmentally safe, and economical wastewater collection and reclamation system.

II. PUBLIC INVOLVEMENT AND COMMUNITY EDUCATION

A. Public Awareness and Involvement

a) The City should establish and maintain a public information and awareness program to increase the understanding of the value of Glendale's water and wastewater services to the community.

b) The City should provide opportunities for citizen engagement regarding the sustainable management of water and the impacts to the well-being and quality of life for Glendale residents and businesses.

B. Community Education and Outreach Programs

a) The City should provide a comprehensive water conservation program to meet and/or exceed state laws and regulations and promotes efficient water use.

- i. Promote and encourage water conservation through local and regional outreach events and activities.
- ii. Providing ongoing educational classes promoting water conservation as a way of life and evaluate the effectiveness of the classes.
- iii. Evaluate the water conservation programs every three years to quantify the value of the direct services provided as well as the estimated water saved through the City's water conservation program.
- iv. Actively pursue grant and donation opportunities to help fund community outreach and education programs.

b) The City should provide programs to inform and educate residents, businesses, and neighborhood communities about environmental best practices related to water.

- i. Promote and encourage storm water and water quality awareness through local and regional outreach programs and events.
- ii. Provide educational programs and materials for adults to inform and educate residents and businesses about in-house environmental best

practices such as proper disposal of fats, oils and grease as well as storm water pollution prevention and other water quality issues

- iii. Provide age-appropriate educational programs and materials for Glendale youth and their respective grade levels.

III. REGIONAL COLLABORATION AND WATER RESOURCES SUSTAINABILITY

A. Regional Collaboration

- a) The City should participate in regional water resources planning associations and stakeholder forums to ensure Glendale has a voice in the development of state and regional water resource policies. The City's membership in Arizona Municipal Water Users Association enables the City to advocate for sound water legislation and policies on a regional level.
- b) The City should maintain beneficial partnerships allowing us to explore opportunities to identify, acquire, and develop additional water resources.

B. Water Service Area

The City should prepare service cost, rate impact, and fiscal impact analyses for Council consideration prior to expanding the City's water and sewer service area.

C. Water Resources Sustainability

- a) The City should ensure it has a safe and reliable water supply to meet current and future demand to ensure water resources sustainability.
- b) The City should update and keep current the City's water supply (resources) and demand projections and water plan.
- c) The City should continue to seek opportunities to acquire additional water resources, such as the 100-year water lease agreement pursuant to the 2009 White Mountain Apache Tribe water settlement.
- d) The City should maximize and optimize the use of its existing water resources through water reclamation (direct reuse on golf courses, green areas, and for landscaping along roads), aquifer storage, and other methods and practices when feasible and economically practical.

D. Drought Management

- a) The City should keep a current drought ordinance and drought management plan to provide guidance and rules during major droughts that potentially result in water shortages.
- b) The City should have current emergency response plans to ensure effective response to water and sewer emergencies.

- c) The City should have a public notification and drinking water quality advisory plan to ensure that City effectively communicates with the public when serious water quality violations occur.

IV. OPERATIONS AND INFRASTRUCTURE

A. Water and Sewer Infrastructure

The City should establish and maintain modern systems and infrastructure that consistently provide high quality and efficient water and sewer services to the community.

B. Water Distribution

The City should have an effective water distribution system that provides:

- a) Reliable water delivery with adequate pressures to meet domestic requirements and fire protection needs.
- b) Water quality that meets or exceeds all federal, state, and county requirements
- c) Minimal (limited) water loss due to leakage and other causes of water loss.
- d) Accurate water meters

C. Water Reclamation

The City should continue to build, operate and control its own wastewater reclamation facility or facilities in Glendale to meet current and future demands and continue to dispose of any wastewater sludge at the 91st Avenue SROG Regional Wastewater Treatment Plant.

D. Wastewater Collections

The City should establish and maintain an effective wastewater collections program providing reliable wastewater services to customers and minimizing sewer spill overflows, and evaluate the need to dedicate more resources to the wastewater maintenance program to increase the amount of pipe miles inspected and hydro-cleaned.

E. Storm Water Management

The City should develop and maintain a storm water program to protect the quality of storm water and to comply with applicable environmental and water quality laws and regulations, and evaluate the need to dedicate more resources

to the storm water maintenance program to increase the amount of inspections and cleaning.

F. Purchasing of Goods or Services

The City should continue to explore opportunities to utilize intergovernmental purchasing agreements for procuring goods or services when it is advantageous to the City.

V.EMPLOYEE DEVELOPMENT, RETENTION, SAFETY AND PRODUCTIVITY

A. Employee Development and Retention

The City should provide employee development opportunities that reward performance, encourage staff retention, continue cross-training and ultimately prepares the Water Services work force to meet any future business challenges to include:

- a) Establishing and implementing a knowledge retention and succession planning program.
- b) Continuing to involve and engage employees to enhance job satisfaction and teamwork
- c) Evaluating staffing levels and ensuring adequate funding is available to maintain necessary staffing levels through the annual budgeting process.
- d) Ensuring Water Services is competitive in attracting, developing, and retaining high performing employees.

B. Productivity through Optimization

The City should continuously strive to optimize the performance and efficiency of its water and wastewater system facilities and operations by utilizing sound business principles and best management practices to include:

- a) Continuing to explore/consider opportunities to partner with other cities and other agencies to improve the cost recovery and efficiency/use of current water and wastewater infrastructure.
- b) Continuing to benchmark its operations and practices with comparable cities to ensure top performance.

C. Productivity through Information Technology

The City should effectively utilize and integrate information technology that supports the business needs and optimizes the productivity of Glendale's water and wastewater enterprise to include conducting a study or evaluation on smart water meters for commercial and residential applications to determine cost, benefit, and feasibility.

D. Safety

The City should ensure the safety and health of its employees through effective management, training, and establishment of best management practices that meets or exceeds water and wastewater industry and Federal OSHA standards.

Appendices

Appendix 1 – List of Citizen Task Force Members

Appendix 2 – Meeting Schedule

Appendix 3 – Public Meeting Minutes

Appendix 4 – Facilitated Exercise Notes and Dot Polling Results

Appendix 1

List of Citizen Task Force on Water and Sewer Members

Citizen Task Force on Water and Sewer Members

1. Vincent Abeyta	Cholla District
2. Brent Ackzen	Sahuaro District
3. Jamie Aldama	Yucca District
4. John Arnett	Barrel District
5. Terrence Arnold	Mayoral (Cholla District)
6. Harry Bailey	Barrel District
7. Brian Bates	Sahuaro District
8. Burt Becker	Cactus District
9. Jack Bethel	Barrel District
10. Bernadette Bolognini	Ocotillo District
11. Manuel Cruz	Mayoral (Yucca District)
12. Camille Donley	Cholla District
13. Kevin Frei	Mayoral (Barrel District)
14. Brian Gallimore	Sahuaro District
15. Marlowe Myers Garay	Mayoral (Cactus District)
16. Barbara Garland	Ocotillo District
17. James Grose	Cholla District
18. Donald Gross	Yucca District
19. Theodora Hackenberg	Barrel District
20. Pattie Johnston	Cholla District
21. Kenneth Knickerbocker	Sahuaro District
22. Fred Kriess	Mayoral (Cholla District)
23. John Krystek	Sahuaro District
24. Al Lenox	Barrel District
25. Jonathan Liebman	Cholla District
26. Gary Livingston	Sahuaro District
27. Vicki Loya	Cholla District
28. Gail Meyers	Mayoral (Barrel)
29. Ricki Ray	Cactus District
30. Steven Rex	Sahuaro District
31. Bob Richards	Cholla District
32. Glenn Russell	Barrel District
33. Roger Schwierjohn	Sahuaro District
34. Becky Shady	Barrel District
35. Charlene Sharp	Mayoral (Sahuaro District)
36. Gary Sherwood	Sahuaro District
37. Ron Short	Cactus District
38. Robert Steiger	Sahuaro District
39. Bob Stratton	Yucca District
40. Marlene Versluis	Barrel District
41. Matthew Versluis	Barrel District
42. Rod Williams	Ocotillo District
43. Michael Wood	Barrel District
44. Bud Zomok	Ocotillo District

Appendix 2

Meeting Schedule

City of Glendale
Citizen Task Force on Water and Sewer
Meeting Schedule and Curriculum
Evening Meetings 6pm-8:30pm-Glendale Adult Center
Saturday Tours 8am-noon

Meeting 1 - Monday, April 30, 2012	Welcome, Introductions, and Process Overview
Meeting 2 – Tuesday, May 1, 2012	Task Overview Value of Water
Meeting 3 – Saturday, May 12, 2012	Tour Pyramid Peak, Water Quality Lab, Conservation and Sustainable Living
Meeting 4 – Monday, May 21, 2012	Water Resources, Water Treatment, Water Distribution
Meeting 5 – Saturday, June 2, 2012	Tour West Area Wastewater Reclamation Facility, Wastewater Collections Vactor and Camera Trucks, Distribution
Meeting 6 – Monday, June 25, 2012	Wastewater Collections Water Reclamation
Meeting 7 – Monday, July 16, 2012	Storm water Urban Irrigation
Meeting 8 – Monday, August 20, 2012	Billing and Customer Service
Meeting 9 – Monday, September 17, 2012	Financial Planning
Meeting 10 – Tuesday, October 2, 2012	Issue Priorities Established
Meeting 11 – Tuesday, October 30, 2012	Finalize Recommendations
Meeting 12 – Monday, November 26, 2012	Review Draft Final Report
Meeting 13 – Tuesday, December 4, 2012	Final Wrap Up and Celebration

Appendix 3

Public Meeting Minutes

**MINUTES
CITY OF GLENDALE AD HOC CITIZEN TASK FORCE
ON WATER AND SEWER**

**PALO VERDE ROOM
ADULT CENTER
5970 W. BROWN STREET
GLENDALE, ARIZONA 85301**

**MONDAY, APRIL 30, 2012
6:00 p.m.**

CALL TO ORDER

The meeting was called to order at 6 p.m. by Craig Johnson, P.E., Executive Director, Water Services Department and his welcoming remarks were made.

ROLL CALL

WELCOME AND INTRODUCTIONS

Welcoming remarks were made by Councilmembers in attendance. Task Force members were welcomed by Vice-Mayor Frate, Councilmembers Martinez and Clark, and Assistant City Manager Skeete. Vice-Mayor Frate began the remarks and called for seven commissioners to come forward to take the oath of office. Commissioners Flippen, Schwartz, Short, Ray, and Rex came forward to be sworn. Councilmembers Martinez and Clark followed with their welcomes, followed by Asst. City Manager Skeete.

PUBLIC MEETING REQUIREMENTS

Russ Romney, Deputy City Attorney, discussed public meeting requirements, explaining the need for an agenda and working from it, the processes involved, reasons for the requirements, possible penalties, and the Code of Ethics binding all members.

AGENDA OVERVIEW

Craig Johnson, P.E., Executive Director, Water Services Department explained that the task force was formed at the request of the mayor and discussed the information that will be provided to the members. He introduced staff members present and the staff facilitator team. He discussed the overall desired outcome of the Task Force. He also introduced the professional facilitator for the sessions, Michael Ashcraft.

Commissioner Livingston questioned why the task force had been formed. He asked if it was because rates were to be raised. Craig Johnson explained that the rate process will be explained step by step during the Financial Planning meeting currently scheduled for September 17, 2012.

Vice-Mayor Frate offered his views on how important clean and safe drinking water was and how technical the process was to get it to that level. He also stated that well contamination was a constant problem because of agriculture and mining operations.

Michael Ashcraft discussed process vs. task of the facilitated sessions and timeline of events. He explained what role the facilitators will play in the process. He discussed the vital role the commissioners will have and encouraged active leadership. He discussed the handouts and the thought processes they should trigger. Commissioner Liebman requested more information on the recommendations that will be made to Council based on their findings. Michael explained the hoped for results criteria and that there are no minimum or maximum number of recommendations expected. He explained that the Task Force would also be charged with setting priorities.

Commissioner Livingston asked for information on number of employees, rates, customer rates, and where the water comes from. Craig explained that each division would be presenting information to the Task Force and that would be covered in one of those presentations. But he emphasized that any special questions or areas of interest should be requested so that the individual presenter could incorporate it into their information for all members' use.

INTRODUCTION TO PROCESS APPROACH aka "TWO MINUTE DRILL"

Michael provided direction to Task Force members who began their work on an exercise to gather feedback on their needs and expectations related to their efforts. Topics centered on each group working to develop solutions and recommendations and group dynamics.

Concerns from the members:

Better water

Make rate structure right, not just keep them low

Full disclosure on financial sheets, projections

Don't print the posters; not legible from the tables

Is there a hidden agenda?

Is this Task Force formed so that rates can be raised?

What are the expectations of this Task Force?

Doug Kukino directed members to the schedule specifically Meeting #3 the tour of Pyramid Peak Water Treatment Plant. He requested that they wear comfortable shoes, hats, bring water, etc. everything needed as there will be a bit of walking. He expanded the information on other meeting topics that will be encompassed.

Commissioner Livingston asked when purchasing will be discussed. He stated that he doesn't see it addressed at any of the meetings. Each division will explain their purchases since different chemicals and equipment are used when treating and producing water and reclaiming water.

ADJOURNMENT

Craig Johnson adjourned the meeting at 8:28 p.m.

The next meeting is scheduled for May 1, 2012 at the Adult Center, Palo Verde Room.

**MINUTES
CITY OF GLENDALE AD HOC CITIZEN TASK FORCE
ON WATER AND SEWER**

**PALO VERDE ROOM
ADULT CENTER
5970 W. BROWN STREET
GLENDALE, ARIZONA 85301**

**TUESDAY, MAY 1, 2012
6:00 p.m.**

CALL TO ORDER

The meeting was called to order at 6 p.m. by Michael Ashcraft, facilitator. He reviewed the schedule and gave a brief explanation of the events planned for the evening.

ROLL CALL

APPROVAL OF MINUTES OF THE APRIL 30, 2012 MEETING Sally Melling, Sr. Secretary for Water Services, asked for approval of the Summary Minutes from the Task Force.

Mike Ashcraft asked members for their input and concerns on the previous night's meeting. Several concerns noted prior were addressed by the start of tonight's meeting such as a second microphone being made available.

Craig Johnson, P.E., Executive Director, Water Services Department first provided information requested from Task Force members at the April 30 meeting. Commissioner Rod Williams requested financial information for the department. Craig asked what their preferred method would be to receive the financial information that was requested. The majority of the members wanted it sent by email/Internet access. Several members requested that a printed copy be mailed to them. They were asked to give their names & information to Kerri Logan.

He then answered Commissioner Livingston's question on the purchasing process. City departments purchase products and services in 3 ways: Water Services uses the Engineering Department for Capital Improvement Plan projects if purchasing professional services (under ARS §34-603), we work through the Purchasing Dept., and use pro-cards. The city's Purchasing Department provides services, commodities, and purchases such as chemicals, by using cooperative agreements with sister cities, and piggy backing on their bids. Council has approved working under those cooperative agreements. For purchases over \$50,000, Council approval must be requested at the evening Council meetings. If purchases are between \$5K-50K, three quotes must be obtained by putting the bids out to the public. The Purchasing Dept. assists in this process also. For amounts up to \$5,000, city credit cards are used for daily purchases. Craig stated that members will be sent a link to the Purchasing Dept. website showing the purchasing procedures. The question was asked if there was information to compare Glendale's financial info to comparable sized cities. Craig stated that all cities publish it as public information and it

is available on the Web. Purchasing water is separate process that will be discussed in further detail at Meeting #4 during Doug Kukino's presentation.

ENVIRONMENTAL SCAN & FACILITATED EXERCISE

Michael Ashcraft walked members through the timeline of the City of Glendale from 1892 when it was established to present day, discussing water service topics and population growth.

Task Force members participated in an exercise to determine the growth and development of the community by being fast-forwarded to Glendale in the year 2032.

Craig Johnson shared his history with the members and a quick overview of the Water Services Department.

"LIQUID ASSETS" AWWA VIDEO

Craig presented a 16-minute video with the Task Force and discussed the national importance of water and sewer infrastructure in relation to the City of Glendale water and sewer systems. He gave the members an overview and tie-in information to the department, giving facts and figures for each division specifically and the department as an Enterprise Fund in general. He discussed conservation and water recharging, and assured water supply and how supply meets peak demand of 65M gallons per day (g/d). Water is tracked daily and accounted for. He stated that Glendale's unaccounted for water figure is below the national average of 10%, Glendale sits at 7%. The infrastructure is out of sight, out of mind but it is monitored constantly. The irrigation system of roughly 23 miles is old and in need of repairs. The rate structure will also be discussed.

A TF member asked what percentage of sewage is sent to the 91st Avenue/SROG plant for treatment. Craig explained that Glendale's part ownership portion of SROG is 13.2M g/d. We send 1/3 that amount daily for treatment or 4.4M g/d.

The question was asked: What can enterprise funds be used for, just for water and sewer services or other things? Craig replied that the fund money is under the control of the city manager to be used as he determines it is needed. Water Service has primary ownership of that money but it belongs to the city once it's brought in. More information on this subject will be presented during the Financial presentation (Meeting #9 on September 17).

Another question asked was: What is the service life of pipes? Average is 28-30 years. Craig replied that we are okay right now. Since he's been with the city (1997), many miles of pipes have been replaced. He stated that we are missing complete records for approximately 100-140 miles of older pipes but we know exactly where they are located. Those pipes are monitored and are being worked on; and have not caused any issues yet.

The break out exercise was conducted to report those issues that TF members are focused on and should be particularly addressed by staff during the upcoming presentations. Each table was asked to present up to three topics of importance for that group. Commissioner Livingston

voiced concern that some topics would be overshadowed by others deemed more important to the group. Michael Ashcraft assured the members that all information would be captured as presented.

Each group presented their three top items. All topics, including secondary items that were not designated as top interest, were captured by staff. The top topics of interest as prioritized by the TF members in a blue/red dot exercise were: Complete Planning of System/ Infrastructure; Strive for Long-term Sustainability through education/conservation; Identify a community with higher standard of benchmarking; Are we appropriately situated for growth? (New technology); Consumer rate costs vs. city production costs?; Economics of Water; \$Money\$-Rate structures, how is the money managed, and what is the impact of the current budget situation and where is it leading; and Costs-Financial planning and disclosure, and understanding cost application/billing procedures/and accountability. These will be addressed in subsequent meetings.

Members were asked to wear comfortable walking shoes on the tour and invited to ask for any information needed to get to the tour site.

ADJOURNMENT

The meeting was adjourned the meeting at 8:40 p.m.

The next meeting scheduled is the tour of Pyramid Peak Water Treatment Plant, the Water Quality Lab, and Conservation and Sustainable Living presentation, on May 12, 2012.

**MINUTES
CITY OF GLENDALE AD HOC CITIZEN TASK FORCE
ON WATER AND SEWER**

**PALO VERDE ROOM
ADULT CENTER
5970 W. BROWN STREET
GLENDALE, ARIZONA 85301**

**MONDAY, MAY 21, 2012
6:00 p.m.**

CALL TO ORDER

The meeting was called to order at 6 p.m. by Michael Ashcraft, facilitator. He reviewed the agenda and gave a brief explanation and anticipated timeframe for the evening's events.

ROLL CALL

APPROVAL OF MINUTES OF THE APRIL 30, 2012 AND MAY 1, 2012 MEETINGS Sally Melling, Water Services Sr. Secretary, asked for approval of the Final Minutes for the April 30 and May 1, 2012 meetings from the Task Force. Both sets of minutes were approved as written.

Mike Ashcraft asked those members who attended the tour of the water plant for their comments. One member commented on the small number of personnel actually running the plant in such an efficient manner. Several members commented on staff's passion and commitment for water services. One member shared that he never realized what an awful lot of work it takes to bring water to homes. Another member appreciated the fascinating discussion she had with the lab chemist and offered staff concerns that budget flexibility is needed to perform in-house testing and analysis.

Kerri Logan discussed the upcoming tour at the West Area Water Reclamation Facility, the planned activities, and transportation specifics. She requested everyone wear comfortable walking shoes.

Michael Ashcraft asked members to review the Ground Rules document in their binders that are in draft form. He invited comments and suggestions on revisions that the Task Force would like to see. No changes were suggested.

The Dot Polling results were briefly discussed. Members were directed to the handout summarizing the blue/red dot polling information.

Craig Johnson, P.E., Executive Director, Water Services Department discussed Council's purpose in bringing the Task Force forward. He also thanked the members for their commitment and enthusiasm for the job ahead.

WATER RESOURCES PRESENTATION

Doug Kukino, Environmental Resources Director, provide past, current, and future information on the water resources for Glendale. He first presented two questions that had been asked by members at prior meetings. Where does the water come from? (Several sources as will be pointed out in the presentation.) Does Glendale have a sustainable water source? (Yes, more is always better but we have a 100-year guaranteed supply.) Task Force members then had several questions based on his presentation. Doug was asked to clarify what “groundwater” was. Doug explained there are two types of water: groundwater is water stored in the ground and there is other water such as aquifers and natural recharge. When is total build-out anticipated? (That year is unknown at this time.) Do we currently have the capacity to provide that amount of reclaimed water? (We currently don’t have that ability but we are moving to put that infrastructure in place.) Where does water go when farming/irrigation of the land stops? (If water is received from SRP, then the land water rights revert to the city, if it is obtained from another source, then the water use just stops.) Does the city maintain water lobbyists? (No. But we keep abreast of issues and take action when the need arises.) What is the current capacity of the water treatment and water reclamation facilities? (Referred to Dawn Slauter whose presentation on water production is next. And later on, Larry Brotman who will present information on water reclamation.) What is the Loop 303 area water situation? (That area is not located within the city’s water plan.) One member voiced concerns that the current state legislature is not acting strongly enough on the state’s behalf on water issues and to protect Arizona’s water interests.

WATER TREATMENT AND WATER DISTRIBUTION PRESENTATIONS

Dawn Slauter, Water Treatment Superintendent, walked members through the process to produce clean water. Many questions were raised by members. What two chemicals are used in the process? (Chlorine and sodium hypochlorite.) What about security at the plants? (Richard Levernier, Security Superintendent, responded that we maintain the established industry standards for high security sites.) Is water delivery only pressure driven? (No, we have booster stations and pumps that help.) But what if something bad does get into the water? (We have many ways and instruments to monitor the water.) What if one of the water plants goes offline? Do the other plants take over? (Yes. Plants are annually taken off line at certain times of the year for maintenance and the other plants take over water production.) There is a desalination plant in Yuma, AZ. Have we ever considered going that route as a long term plan? (We have not but it could certainly be a future endeavor.) Where do impurities taken out of the water go? (Dawn explained that this is called sludge, and sludge is sent to drying pools where it is tested, and after it dries it is then sent to the landfill.) An observation was made that city water is better regulated than bottled water. If that’s the case, why do we drink so much bottled water? (City water is more stringently regulated and as far as Dawn can guess, it’s just habit.)

FACILITATED EXERCISE ON PRESENTATIONS

Members were asked to come up with initial policy suggestions and ideas that came out of the information presented and also any additional ideas that need to be presented to staff. This information was captured by the facilitators and will be compiled by staff.

ADJOURNMENT

The meeting was adjourned the meeting at 8:42 p.m.

**MINUTES
CITY OF GLENDALE AD HOC CITIZEN TASK FORCE
ON WATER AND SEWER**

**PALO VERDE ROOM
ADULT CENTER
5970 W. BROWN STREET
GLENDALE, ARIZONA 85301**

**MONDAY, JUNE 25, 2012
6:00 p.m.**

CALL TO ORDER

The meeting was called to order at 6 p.m. by Michael Ashcraft, facilitator. He reviewed the agenda and gave a brief explanation and anticipated timeframe for the evening's events.

ROLL CALL

APPROVAL OF MINUTES OF THE MAY 21, 2012 MEETINGS Sally Melling, Water Services Sr. Secretary, asked for approval of the Final Minutes for the May 21, 2012 meeting from the Task Force. The minutes were approved as written by a majority voice vote.

Mike Ashcraft asked those members who attended the tour of the reclamation facility and viewed the divisional demonstrations for their comments. One member commented on how thorough, in-depth, and detailed the tour information was. Another commented on what a great idea it was that residential meters are monitored and elevated, and how meters can be used for almost twice as long by properly maintaining them. Commissioner Livingston remarked on the good functionality of the facility but questioned how service can be provided when the Enterprise Funds are taken for other purposes. One member suggested that instead of buying more trucks that crews also use the resources during the night to get double shift work out of the equipment. Commissioner Loya complimented the staff that put on the tour and demonstrations, saying she liked how the tour was broken-up, she had a good time and was impressed by the knowledge of the employees. Commissioner Garland also complimented staff on the tour and on their attitude.

Kerri Logan addressed the Task Force's wish to get copies of the Master Plans developed for Water Services. She showed the members a small section of the volumes that comprise the Plans and asked if they still wished to have copies made. The Task Force decided they did not want copies made for them. Members were informed that they could always come down and study them for as long as they wished. Craig Johnson explained that the Plans remain relevant until the time that a decision is made to update them.

FACILITATED EXERCISE: WHAT IS A POLICY?

Michael Ashcraft walked the members through the differences between a policy, a law, and a procedure. A policy is a formal or informal expression of intent, something that should be. It guides decision makers to a desired outcome. It is the suggestion on what a city, county, or department should do. A law is a formal requirement for a specific idea, goal, or vision; and can

have penalties attached to it. A procedure is the step-by-step instructions on how to accomplish a policy.

Members were directed to the handout summarizing the blue/red dot polling information. The Dot Polling results were briefly discussed, specifically members' concerns dealing with clarifying department policies. Craig Johnson provided more detail on the tasks that the members will be undertaking in dealing with the Water Services Department policies.

WATER DISTRIBUTION PRESENTATION

John Henny, Water Distribution Superintendent, presented information on the water distribution process. Several members had questions on information he presented. What is the percentage of pipes in the city that are polyethylene and need to be replaced with copper? (60%) How much unaccounted for water does the city have? (6.5%. Allowed national level is 10% or less, with possible fines for exceeding.) What kind of appeals are there? (Low pressure, high water use, we bench test meters to make sure they are functioning correctly.) What is the cost vs. revenues ratio? Craig Johnson referenced the Cost of Service document that was sent to all members. He explained that revenues are put into a general fund account, that there aren't individual little pots that it goes into. It's used to fund operations and balance the debt service. He explained that individual divisions' budget aren't parceled out like individual little pots of revenue and again referred members to the Cost of Service document. Each division is a portion of the budget as determined by a process using past information. Water Services is required to maintain 1.2 debt service coverage. Currently, it sits at 1.7. The fund balance right now is well over \$12M. More in depth info will be presented when the Finance and Billing presentations are given. What percentage of loss does leaking water equal? (2-3%. The last annual total available for all unaccounted-for water is 6.8%, or about 15 million gallons.) A question was asked about Water Distribution's Professional and Contractual costs. (WD outsources several things such as the pavement restorations that must be done after a water line repair or replacement.) John was asked about the "All Other" budget item of almost \$1M for WD. [This pays for Line supplies for WD which includes such items as fuel charges, vehicle and equipment maintenance, hydrants (one hydrant costs \$1,700) and related parts and repair kits, dirt fill, ABC, valves, etc.] More information was requested on the 140 unknown miles of water pipes. (There are no as-built records for those pipes available. WS knows they're there but has no detailed figures on them; and has them on the radar for monitoring.) What about getting more water pressure in certain areas? (If you live at the top of Zone 3, your pressure will be lower because the water is gravity fed.) Does the city have any major commercial users that aren't paying their water bills? (No, we don't have that many and typically, a reminder gets the balance paid.) How many of the FTEs are Admin positions? (Of the 53 FTES, there are 4 supervisors and 1 superintendent (John's position) are included in that total. The rest are line staff.) What is the single biggest challenge facing WD? (Training and keeping staff.)

WASTEWATER COLLECTIONS PRESENTATION

Mark Fortkamp, Wastewater Collections Superintendent, presented information on Wastewater Collection procedures. He explained CMOM (Capacity, Management, Operation, Maintenance) that are accepted WWC practices throughout the national industry. It was established in the 90s to minimize sanitary sewer overflows (SSO's) by setting proactive hydro-cleaning goals and

affects over 19,000 cities in the country. It is a self-audited program but proof is required to be submitted to the EPA to show that it is being followed.

A systematic proactive approach to hydro-cleaning the lines has a direct link to lowering the annual number of SSO's. The city is cleaned on a quarter-section by quarter-section schedule with grease problem areas being paid special attention. Roots in the line are also a continuing problem. CCTV program prioritizes manhole issues for rehabbing.

Hydrogen peroxide is used to control odors. Doses are increased during the summer season and Odorknocker equipment is used to monitor the dosing success at each location. Roach control dusting is applied to approximately 6,500 manholes within the city during each calendar year. The remaining 6,500 manholes are done next year.

The budget for Waste Water Collections includes slightly over \$1M for professional and contractual services which are outsourced such as the roach/manhole dusting and pavement repair when sewer line and manhole repairs must be done. The All Other category includes fuel and vehicle charges, and costs for supplies and equipment.

Many members had questions on the WWC system. Does the 67% cause of SSO's from Fats, Oils, and Grease come mainly from restaurants? (Not necessarily due to the efforts of the Pre-Treatment Division. Certain areas of southern Glendale without very many restaurants have a large number of grease blockages and are mainly residential.) What is the extent of storm water flow into the system? (Storm water is not generally measured in Glendale as our sewer system is not a "Combined System", where sewage and storm water are carried in the same line. The source of infiltration for Glendale would usually be just through the "Pick Holes" on the manhole covers. Glendale is not concerned as the Arrowhead Ranch WRF does not show uncontrollable spikes during wet weather events and the West Area bypasses all the flow to the 99th Avenue interceptor except for what the plant is set up to treat. Neither WRF has had a "wet weather" incident which has caused an SSO.) The CCTV truck is getting older and having issues. Is that affecting the low number of sewer pipe miles inspected each year? (Yes. Mark would like to see 40 miles per year.) Are seven hydrogen peroxide sites adequate for the entire city? (Yes, that covers the entire city but ideally two more sites would be added.) Is there a chemical or enzyme that a homeowner could dump into the sewer to break up the grease? (Some work, some are snake-oil claims. Mark recommends the best method is just not putting a huge amount of grease and/or running items down the garbage disposal that will clump up and cause clogs. Hot water only melts the grease so long until it cools and congeals further on down the line.)

FACILITATED EXERCISE ON PRESENTATIONS

Members were asked to come up with initial policy suggestions and ideas that came out of the information presented and also any additional ideas that need to be presented to staff. This information was captured by the facilitators and will be compiled by staff.

ADJOURNMENT

The meeting was adjourned at 8:49 p.m.

**MINUTES
CITY OF GLENDALE AD HOC CITIZEN TASK FORCE
ON WATER AND SEWER**

**PALO VERDE ROOM
ADULT CENTER
5970 W. BROWN STREET
GLENDALE, ARIZONA 85301**

**MONDAY, JULY 16, 2012
6:00 p.m.**

CALL TO ORDER

The meeting was called to order at 6 p.m. by Michael Ashcraft, facilitator. He gave a brief overview of the agenda and a brief explanation and anticipated timeframe for the evening's events. He also requested permission of the Task Force to place a time limit on the exercise, if three tables are finished with their discussion and conclusions, then the remaining tables would be urged to finish in approximately five minutes to keep events on track. Approval was given by group majority.

ROLL CALL

APPROVAL OF MINUTES OF THE MAY 21, 2012 MEETINGS Sally Melling, Water Services Sr. Secretary, asked for approval of the Final Minutes for the June 25, 2012 meeting from the Task Force. Comm. Stratton made a motion to approve, seconded by Comm. Vickie Loya. The minutes were unanimously approved as written by voice vote.

Mike Ashcraft announced that the Task Force is at the half-way point in the schedule and commended everyone for their efforts. He called their attention to the Dot Polling results to date. These results will be revisited in the second phase of the process in September.

WATER RECLAMATION PRESENTATION

Larry Brotman, Water Reclamation Superintendent, presented information on the water reclamation process. He explained the before 1993, waste water did not have much value. That paradigm has changed to viewing reclaimed water as a valuable commodity. A task force held on sewer issues, *Project Waters*, was formed in 1994. Modern day facilities used to treat wastewater are no longer called sewage plants, they are referred to as reclamation facilities to better describe the change in attitude to waste water and the process behind treating it. He explained the differences between the two facility sites, West Area and Arrowhead Ranch, are not only in size and capacity but also that Arrowhead is an end of line plant while West Area has the capability to move wastewater down the line for treatment. He explained ground recharge, credits, storage projects, and direct reuse of effluent. He also explained the Pretreatment Program division and their function in inspecting and protecting the system.

Task Force members were given the opportunity to ask questions. Where do you get the microbes used in processing the water? *(They are naturally found in the environment and we assist them in growing and multiplying by providing food and allowing air into the process for*

their use.) When well water is exchanged for recharge water, is it dollar for dollar? (It is in terms of gallon for gallon.) Are all commercial users required to have grease traps? (Only if they are classified as a certain type of user such as food preparation.) Comm. Cruz asked Larry to repeat the financial terms for the Palo Verde contract for reclaimed water and if the contract could be revisited for better terms for the city. (Yes, when the current contract expires. Percentage of acre foot payment could be reconfigured.) Where does that money go? (Into the Water and Sewer fund.) How do the chemical costs compare between the two facilities? (Currently, production at West Area is low while Arrowhead remains at their standard processing capacity so the chemical costs are proportionate to the use going on.) Are the two facilities enough to handle the population of Glendale? (Yes, both are capable of handling things now. West Area was built with enough excess capacity to last another 10 years.) What about future growth and construction, specifically in the Loop 303 area? (Glendale's service area extends to 115th Avenue by Council direction in 2008. Any future developer in the Loop 303 area needs to provide their own means for water service and sewage treatment. Currently, there are about 5-6 water companies serving the region and Global Water is the sewer provider.) Comm. Ricki Ray had read a statement that said if the proposed casino is built, Glendale would need to build another facility. Is that true? (No.) Comm. Vicente Abeyta asked what it meant that the Arrowhead facility can be shut down for 24 hours. (Larry explained it is an "end of line treatment facility". Storage facilities at Arrowhead allow for 36 hours of holding room. The facility is self-contained and there is no capability to forward material down the line for processing. The plant is 30 years old but several Capital Improvement Projects have been completed, and more are currently scheduled for its maintenance and upgrade.)

STORM WATER PRESENTATION

Doug Kukino, Environmental Resources Director, presented information on the storm water program and the rules, regulations, and permitting required for continued compliance. He explained that the Clean Water Acts is the law that governs surface water quality in the United States. The federal storm water runoff requirements were issued in 1990. Glendale received its first storm water permit in 1999 and its second permit in 2010.

Mark Fortkamp, Wastewater Collections Superintendent, presented information on the storm water system inspection and maintenance process. He presented an overall view of the stormwater system, division figures, and highlighted some notable situations encountered by staff in their daily tasks. Member questions: Comm. Ron Short asked where the money comes from to replace the grates, rebuilt cache basins, etc. *(The Wastewater Collections budget has money set aside for replacements.)* Comm. Barbara Garland asked if stormwater permits were issued by the state and are there time limits on them? *(Yes, the Arizona Department of Water Resources issues them based on federal requirements and they are good for five years.)* Comm. Loya asked if the recent rains had caused problems with the storm water system. *(Mark replied that this year hadn't seen as many problems as last year or previous years. He credited the consistent cleaning schedule and maintenance of the system for this improvement.)*

FACILITATED EXERCISE ON PRESENTATIONS

Members discussed policy issues and areas of concern, and indicated their top items of interest in the Blue/Red Dot poll. Michael Ashcraft reminded members to keep in mind the end product

which would be presented to the Mayor and City Council. Commissioner Gary Livingston asked staff, from their stand point, if anything the Task Force had done so far was useable to them. Craig Johnson replied that the Task Force has zeroed in on points we are currently doing or have targeted to do. There are some concerns we share and some that have been brought to our attention.

ADJOURNMENT

The meeting was adjourned at 8:20 p.m.

**MINUTES
CITY OF GLENDALE AD HOC CITIZEN TASK FORCE
ON WATER AND SEWER**

**PALO VERDE ROOM
ADULT CENTER
5970 W. BROWN STREET
GLENDALE, ARIZONA 85301**

**MONDAY, AUGUST 20, 2012
6:00 p.m.**

CALL TO ORDER

The meeting was called to order at 6 p.m. by Michael Ashcraft, facilitator. He gave a brief overview of the agenda and anticipated timeframe for the evening's events. He informed the Task Force that they are on schedule and after the September 17 meeting, the September 24 meeting might not be necessary. He explained that it may be possible to also vacate the Monday, October 29 meeting due to prior commitments by a large number of TF members.

ROLL CALL

APPROVAL OF MINUTES OF THE MAY 21, 2012 MEETINGS

Sally Melling, Water Services Sr. Secretary, asked for approval of the Final Minutes for the July 16, 2012 meeting from the Task Force. Comm. Garland made a motion to approve, seconded by Comm. Ray. The minutes were unanimously approved as written by voice vote.

Mike Ashcraft announced that the Task Force is at the half-way point in the schedule and commended everyone for their efforts. He explained that priorities based on the committee's areas of interest will begin to be finalized at the October 2 meeting. The results will be discussed at the October 30 meeting and recommendations to Council will be drafted.

URBAN IRRIGATION PRESENTATION

Mark Fortkamp, Wastewater Collections Superintendent, presented information on the urban irrigation program. He stated that the system is aged and in need of repair. A rehabilitation study was conducted in April 1992 and determined it would cost between \$6-7.2 million dollars to bring the system current. At this time, repairs are only made as issues arise. At its peak, 1,600 customers received irrigation services. In 2011, 336 customers were served. The irrigation delivery cycle lasts 7 months, from April through October. The system consists of approximately 23 miles of lines, valves, and diversion boxes. Last year, the city received 561 acre feet of irrigation water. SRP currently has 2 lateral lines to feed Glendale, they are located at 59th Avenue and 51st Avenue. He addressed several known problem causers for the system, such as roots and aging pipes. He directed the members to several charts detailing the costs and stated that 29% of the system's costs were recovered in 2011 from customer generated revenue.

Task Force members were given the opportunity to ask questions. Comm. Livingston asked what would happen if WS no longer provided the water for irrigation. *(It's required by city ordinance. Craig Johnson explained that a significant cost savings has been implemented this year. Yes, the service could be terminated by working through the process with the City Council to have it stopped by an ordinance. This is an item that could be discussed by the Task Force if they choose at a later time with their recommendation to Council.)* Comm. Sherwood asked if there was a cheaper alternative in dealing with SRP. *(Yes, some areas receive this service directly from SRP Self-Serve. But SRP customers also have to pay costs to repair pipes, maintain the system, etc.)* Who is picking up the difference between what customers actually pay and the how much it costs? *(Every year the department goes before Council with their budget needs and this cost comes out of the fund balance for the department.)* Does the irrigation service stay with the property or go with the owner if they move? *(With the property. If a property owner pulls out of the program, they are not allowed to join back in.)* Does SRP self-serve customers' water use the same pipes as the city's irrigation water? *(Yes.)* Is it all untreated SRP water? *(Yes.)* Comm. Livingston pointed out that most people are growing their food with irrigation water. He stated that if he was watering like they do, he would have a huge water bill. He questioned why he should accept that. He would like a senior citizen rate established. Another commissioner asked what effect it would have on the city if providing irrigation was just stopped immediately. *(Craig replied that the amount of water used is so small that the effect is infinitesimal.)* On the system, the infrastructure, landscaping, property values, etc? *(Too small to matter.)*

Mark Fortkamp continued his presentation with current program facts. He stated that Salt River Irrigation won a competitive bid which resulted in increased savings to the city. One commissioner pointed out that the irrigation system has a tremendous amount of leaks. *(Mark agreed. And pointed out that maintaining it entails hand digging for the repairs.) (The system is dynamic and not getting any better.)* Comm. Stratton asked if Mark could give an estimate for a 12,000 sq. foot lot (with irrigation cost is \$169) if the irrigation program was shut off. *(Mark estimates it would be an increase of 7 times more with metered water.)* Comm. Sharp asked who shares SRP lines. *(Schools, customers, and self-servers.)* If there was a break during the time when no irrigation delivery was occurring, does the city still have an obligation to help pay? *(It depends on how the agreement was written.)* A comment was made that government costs money to function. That is a given. But the sentiment was expressed that people need to pay their fair share. Comm. Loya asked how much more would irrigation customers have to pay if the program was shut off? *(Mark replied that to get the same amount of water that an irrigation customer is seeing today, it would cost around 7 times more with metered water.)* Comm. Loya replied that people aren't going to be able to pay. Comm. Short noted that the Historic Preservation area in downtown Glendale would be hurt without the grasses, trees, landscaping, etc. that irrigation provides and is an important aspect of the historic air.

BILLING AND CUSTOMER SERVICE PRESENTATION

Susan Matousek, Revenue Administrator, and Lisa Hord, Customer Service Manager, presented information regarding the city's Billing and Customer Service departments. Susan broke out the three groups Utility Billing, Customer Service, and Cashiering that are within the Customer Service Division. Lisa explained that water meters are read in cycles each month. Cycle 1 is

made up of approximately 22,000 accounts, cycle 2 has 18-19,000 accounts, cycle 3 has 12,000 customers, and cycle 4 has 8-9,000 customers.

They explained the voluntary donation program "From the Heart" that is used by agencies to assist Glendale residents facing emergency situations.

The Customer Service division was discussed. Ten staff members are available for phone traffic. There is 1 account specialist and 9 customer service representatives that handle about 10,000 calls each month. The Cashiering division has 7 staff members to handle lobby traffic, on-line payments, Surepay, and mailed payments. There are also 4 drop boxes for payments, two located at City Hall and two others at two Fry's Food store locations.

The disconnection process was explained with a detailed timeline of occurrences. About 6,000 disconnect notices are sent out each month, with 1,000 accounts actually being turned off. It was stressed that customers are not immediately turned off for being late on their payments without adequate notice. Due to the involved notification process, customers on their 3rd month of consumption when the water is actually turned off. The Revenue Recovery division has 3 staff members – 1 account specialist and 2 representatives. They attempt to collect payment for residential, and multi-family and commercial accounts that become delinquent. An item will be presented for Council approval; Council will be asked to approve working with a 3rd party collection agency in an attempt to collect for services provided in an effort to get delinquent accounts paid.

Lisa explained how sewer rates are determined and the appeal process that customers can go through.

Their budget was explained. New ideas were presented: payment kiosks for customer convenience, outbound dialer for payment reminders but also as a cost saving measure, and campaigns to encourage more payments made on the web site, on the autopay phone line, and Surepay.

It was noted by several members of the Task Force that postage costs are very high and more customers need to be getting their bills on-line rather than being mailed one.

Lisa distributed a customer service report showing peak and low phone and lobby customer hours of use. Input was sought from TF members on allowing more training for staff members by allowing fewer representatives to serve the public during low use hours. That lull will be used to train staff members.

Comm. Livingston asked if there was a difference in bills between residential and commercial users? *(Yes, landlords and property managers get a few extra days due to possible address differences. There are approximately 200-300 accounts.)* He also asked how many of the disconnects that are done are senior citizens. *(Unable to track that. That information is not collected on accounts.)* He also asked if the commercial vs. residential rates are different. *(Craig answered there are different levels of rates.)*

Comm. Cruz asked if there were any cost savings to the customer service staff hours being changed. *(Lisa said that right now there is only about 1 hour per month that can be dedicated to staff training. Employees would still be working, just that those hours would be spent on training and tax research.)*

The question was asked if landlords and/or homeowners are still held liable for tenant charges. *(No, that was changed.)* It was asked if there was a way to track or some way know how many HOA vs non-HOA foreclosures were done. *(No, disconnects are handle administratively without tracking of HOA areas.)* A question was asked on how disconnects/reconnects are handled. *(There is an administrative fee of \$54 added to the account total to handle the additional work involved.)* How will the kiosks work cost-wise? *(A request for quotes is being worked on currently to determine those costs and review feasibility.)* Comm. Sherwood had 2 questions. He asked about merchant fees. *(Yes, every time a credit card is used to pay a bill, we are charged a fee.)* And how large will collection write off recovery be? *(Unknown right now. There are no numbers available yet.)* Clarification was requested on changing the staff hours: staff will still be working, just not serving customers? *(Yes, they will be in training or other administrative tasks.)* One commissioner suggested that the bill paying website be looked at. He always has a great deal of trouble trying to log on. He also would like a way other than the account number to access and pay the bill. Sometimes he doesn't have his bill with him (such as at work) and has no way to pay his bill. He suggested accessing his bill by using the address, make it as easy as possible to get it taken care of.

The suggestion was made to tack on the vendor fee to bills if customers choose to pay by credit cards. *(Lisa replied that option was being looked into.)* Comm. Livingston asked about the customer base. *(Lisa explained that the lack of new accounts was definitely a negative impact on the customer base, due to foreclosures but now houses are beginning to be rented out and that has helped. New building across the city has now also begun to be seen again.)* One commissioner presented a serious problem that is experienced by financial institutions when Surepay is implemented by customers. The issue is that payments are not credited to accounts correctly and customers are then disconnected. *(Lisa stated that it would be looked into.)* The question was asked if the 2,800 phone calls that come in to the city switchboard are not counted as part of the 10,000 calls that customer service fields every month. *(That is correct.)*

FACILITATED EXERCISE ON PRESENTATIONS

Members discussed policy issues and areas of concern and indicated their top areas of interest in the Blue/Red Dot poll. Results will be compiled by staff and distributed at the next meeting.

ADJOURNMENT

The meeting was adjourned at 8:36 p.m.

**MINUTES
CITY OF GLENDALE AD HOC CITIZEN TASK FORCE
ON WATER AND SEWER**

**PALO VERDE ROOM
ADULT CENTER
5970 W. BROWN STREET
GLENDALE, ARIZONA 85301**

**MONDAY, SEPTEMBER 17, 2012
6:00 p.m.**

CALL TO ORDER

The meeting was called to order at 6 p.m. by Michael Ashcraft, facilitator. He gave a brief overview of the evening's agenda and stated that tonight's presentations would be the last ones by staff. He discussed the timeframes but stressed that enough time was needed for thorough discussions. He requested member approval to stick to time limits so that the meeting could be adjourned by the expected 8:30 end time. Voice approval was given by the members.

ROLL CALL

APPROVAL OF MINUTES OF THE AUGUST 20, 2012 MEETING

Miriam O'Neal, Water Services Management Aide, asked for approval of the Final Minutes for the August 20, 2012 meeting from the Task Force. A motion to approve the minutes was made by Comm. Hackenberg, seconded by Comm. Loya. The minutes were approved as written by voice vote.

WELCOME WITH UPDATES

Michael reminded members that next week's tentatively scheduled meeting is cancelled. The next meeting on Tuesday, October 2, will begin the process of prioritizing the members' items of interest into the recommendations that will be made to Council. Staff will compile the items into the required Council presentation format and then the Task Force will begin the selection process.

WATER RESOURCES PRESENTATIONS

Craig Johnson, P.E., Executive Director, Water Services, greeted members and thanked John Gallagher with Red Oak Consulting for providing the refreshments for the meeting. He explained that John will present procedural thoughts on how rates are developed and Diane Goke, COG Chief Financial Officer, will explain the financial picture, including rates and the Enterprise Fund, specifically for the city. He clarified that while no new rate increases are planned in the near future, the Task Force will be presented the factors that go into determining when an increase is needed. He introduced John Gallagher of Red Oak Consulting whose firm has worked with the city for the past five years.

John Gallagher explained the rate structuring process in a detailed PowerPoint presentation. He explained it would be a 30,000 foot overview since he had 20 minutes to present a process that takes approximately six months to complete. Glendale's rates are a combined accounting made up of two main components, water and sewer. There is an operating fund financial plan and a debt service coverage component. It has two types of reserves, operating and capital. The cost of service is aligned with the two components of water and sewer. The rate design process takes into account pricing objectives, structure, and rates. Comm. Sherwood asked what comprises the base charge. John answered it is the cost of billing (what goes into sending out each monthly bill), local main charge (the water meters in front of residences), replacing meters cost (based on meter size), and fire protection coverage. Several members requested this slide be forwarded to them. John explained the water volume charge (based on number of gallons used) and finished his presentation by discussing some of the water challenges facing the city. One challenge is the conservation effort. That effort to conserve is working very well; however, the result is that the decline in usage is impacting revenues for the city.

Diane Goke, the city's Chief Financial Officer, presented the financial picture pertaining to the city. She began by explaining enterprise funds. An enterprise fund is used for funds when a fee is charged in exchange for municipal services. Funds are segregated from all other governmental activities. It retains any investment earnings and operating surplus funds, and is a useful tool to identify total service cost and provide management information. She explained that by city code and charter, Glendale is not required to account for water & sewer activity in an enterprise fund; but government accounting standards recommend that this be done. She explained the fund balance. When enough is accumulated in the Water & Sewer fund balance, those funds can be used instead of obtaining bonds to finance projects that are used to replace operating items such as water meters and water lines. To fund long term projects such as building water plants, bonds are the preferred method because funding projects in that manner will not saddle current users with the costs for items that future customers will be using. Revenues and expenditures were addressed on two slides and Diane pointed out that decreased usage has impacted the revenue numbers. Going forward from FY 2013, the fund balance begins to drop; revenues decrease and remain flat while expenses continue to rise. Bond ratings for Water & Sewer are very good. The minimum debt coverage ratio allowed is 1.2% before a severe impact to ratings occur, at the end of last fiscal year Glendale's ratio stood at 1.6%. Costs for the department are handled by revenue, bond proceeds, or a combination of the two. Several years of significant capital expenses have occurred. Projections for FY 2015 and beyond show the fund balance dropping dangerously low to a negative balance in FY 2017. The financial plan is crafted for 5 years but it is reviewed every year. Bond issues are crafted for 20 years with 3-5% interest rates. Bonds were re-funded last year. In 2010, refinancing was a bit higher (6%) and a government refund helped but part of that funding could be going away. Bond rating from Moodys is Aa3 and the Standard & Poore rating is AA. These are very good ratings. In the event that we do not meeting the debt coverage ratio, steps must be taken immediately to fix it. The city is always aware of the ratio.

Diane went on to address the Coyotes payments. In 2011, a \$25 million payment was made to the NHL. \$20M was borrowed from the Landfill enterprise account and \$5M was borrowed from Sanitation's. The city's general fund is currently paying that back at approximately \$1.1M per year. This year \$20M has been placed in an escrow account for the National Hockey League (NHL) with \$15M borrowed from Water and Sewer, and \$5M borrowed from replacement

funds. This money is not currently used, it is being held in an escrow fund awaiting talks with the NHL. It is hoped that a long-term payment plan can be developed with the NHL where those funds are paid over several years rather than all at once. The total amount of the payment is \$25M and if the entire payment must be paid as soon as possible, then the additional \$5M will also come from Water and Sewer. The \$15M is included in the \$70M Ending Fund Balance total for FY 2012. Comparisons among Valley water & sewer rates were presented. Diane gave a brief summary of the factors used when considering rate changes. She left the members with several questions to consider.

Task Force members were given the opportunity to make comments or ask questions. Comm. Stratton stated that no rate increases should be made until the city replaces the \$15M that it has taken to pay the Coyotes. Diane explained that the Capital Improvement Plan has been pushed out because of the smaller fund balance. But there are no immediate plans for a rate increase. Comm. Stratton questioned what need would be addressed if the \$15M was available for use. Diane stated it was hard to say but the 5-year plan is reviewed annually. Comm. Stratton also stated that with another \$5M, we'd have enough money. Comm. Livingston reiterated a sentiment that some members had towards the very beginning of the task force and that was the city charter needs to be changed to stop financial people from raiding this (Enterprise) fund. Diane explained that the city pools funds to invest. The investment rate returns have dropped from 4-5% to less than 1% currently. The loans will be paid back to Water and Sewer by the General Fund at approximately 2-3% rates which is higher than they would be earning if left in the investment pool. *Diane answered the question "what would we do if we didn't have the water & sewer fund" -- We would possibly have to go out for loans and/or make different decisions, I'm sure.* Comm. Livingston asked for confirmation on his statement that we the citizens of Glendale will never, ever see a decrease in their rates. *Diane stated she could not say that. She did state that when you have revenues and debt, and you have expenditures, and those two don't equal, funds are always adjusting.* Comm. Short stated that revenue expenditures for the next four years don't look very good. He asked if rate increases are figured into those figures. *Diane explained there are no rate increases calculated in to those figures and that on the Capital Improvement expenses, the city could issue bonds to pay for those but those amounts would have to be paid back later.* Comm. Zomok stated that although the money shouldn't have been used for the Coyotes, it's done. Now things need to be dealt with. He pointed out that while revenues are projected as being flat, operating expenses are projected to go up by 30% from FY 2013 to FY 2017. *Diane explained that inflation is figured in and the Capital Expense fund is projected high because aging infrastructure issues will need to be addressed.* Comm. Garland asked what the debt service ratio would be if the \$15M was calculated into the total. *Diane explained that the debt service coverage doesn't include the fund balance. It figures in when the rating agencies look at the overall financial picture of the city to determine its financial health.*

Comm. Sherwood questioned what impact upcoming regulation changes in the next few years will have. *Craig Johnson stated that those figures aren't built into the budget currently. Craig also informed the members that the impacts of recent Arizona forest fires are currently being felt. The 2011 eastern Arizona Wallow Fire is now impacting the SRP watershed, bringing soot and particles, and impacting the water production plants. Staff needs to do more treating and add more chemicals to clear the water. CAP has a different source of water and uses the CAP canal to deliver the water. During the rainy season, water demand is down which causes canal water*

to stagnant and form algae. This results in high organics in the water. This has impacted our carbon budget. It has gone from \$500 per day to \$1,000 per day. Craig pointed out that this is the second year we have not asked for a rate increase. One issue is that the systems need maintaining and the infrastructures need replacing. The Capital Improvement Plan is looked at every year. Craig doesn't want to sell any bonds for a while. The debt restructuring brought \$3M back to the city. Savings have been realized with optimization efforts by staff. Currently, the department has 204 FTEs and we have 24 vacancies.

Diane emphasized that she has not said that there will be a rate increase next year or 5 years from now. She explained that many factors are looked at to make that determination. Comm. Zomok asked John Gallagher if the loan payback is considered in the revenues of \$82M in FY 2013. John replied that no, that isn't calculated as part of it. Diane stressed that the \$15M loan hasn't been made yet. That money is sitting in an escrow account only. No future revenues are taking payback amounts into account because the loan isn't made yet. We are negotiating with the NHL to possibly pay that amount over many years. Comm. Knickerbocker asked what the cost of system expansion is. Craig explained that development impact fees are used to pay for expansion and new development construction. We work with the Planning Department to determine those fees charged to developers. Capital Improvement Project funds are used for water line upgrades. Comm. Knickerbocker stated that Engineering also helps to decide if the fees are enough. Craig said that there is sufficient appropriate money for the Capital Improvement Plan projects. Comm. Knickerbocker stated that it's the citizens that provide cash flow. He further stated that bonds would be to help the worst case scenario. Craig assured members that Water & Sewer's bond rating is good. There are some waterline and sewer line replacements planned and that infrastructure would be fixed when needed. Comm. Short asked what a comfortable fund balance number is and what percentage of the CIP balance is for future development. Craig said he would answer the second question first: there is no percentage allotted for future growth. Future growth has all been pushed out. And there is no set figure for a fund balance number. Everything is looked at every year. Comm. Arnold questioned if the projects are based on the tax increase just implemented. Diane replied that the tax increase does not affect the Water & Sewer fund. Water & Sewer fund is an enterprise fund and not supported by taxes at all. Comm. Arnold further asked if enterprise funds are set up for exclusive use of those certain departments. Diane replied that yes, that's the reason they're set up. Comm. Arnold clarified that it's just not worded as such. Diane answered that he was correct. Enterprise funds are not required to account for Water & Sewer funds, however it helps to track the information and government accounting standards state that the funds should be accounted for in that manner. Comm. Bethel stated that Craig said there are 24 vacant positions in Water Service. He asked how many positions have gone unfilled throughout the whole city since 2008? Diane replied that there's been approximately a 25% decrease in the employee number or roughly 300 positions. Comm. Sherwood asked for the debt service ratio figure again. He believes he heard 1.6. Diane stated that yes that was correct and her comfort zone is a figure above 1.5. Bond covenant is 1.2. She further explained that the fund balance is looked at in determining the debt coverage ratio along with many other factors that are figured in.

FACILITATED EXERCISE ON PRESENTATIONS

Members discussed policy issues and areas of concern, and indicated their top areas of interest in the Blue/Red Dot poll. Results will be compiled by staff and distributed at the next meeting.

ADJOURNMENT

The meeting was adjourned at 8:35 p.m.

**MINUTES
CITY OF GLENDALE AD HOC CITIZEN TASK FORCE
ON WATER AND SEWER**

**PALO VERDE ROOM
ADULT CENTER
5970 W. BROWN STREET
GLENDALE, ARIZONA 85301**

**TUESDAY, OCTOBER 2, 2012
6:00 p.m.**

CALL TO ORDER

The meeting was called to order at 6 p.m. by Michael Ashcraft, facilitator. He briefly reviewed the evening's agenda and explained the process. He pointed out possible time constraint issues with the anticipated rotations but stressed that enough time was needed for thorough completion of the process. He requested member approval to stick to time limits so that the meeting could be adjourned by the expected 8:30 end time. Voice approval was given by the members.

ROLL CALL

APPROVAL OF MINUTES OF THE SEPTEMBER 17, 2012 MEETING

Sally Melling, Water Services Sr. Secretary, asked for approval of the Final Minutes for the September 17, 2012 meeting from the Task Force. A motion to approve the minutes was made by Comm. Ackzen, seconded by Comm. Krystek. The minutes stand and were approved as written by voice vote.

WELCOME WITH UPDATES

Kerri Logan reminded members that the meeting scheduled for Monday, October 29, 2012 is cancelled. The next meeting on Tuesday, October 30, will continue the process of prioritizing members' items of interest into the recommendations that will be made to Council. Staff will compile information collected tonight into a draft document for Task Force review and comments.

PRESENTATIONS AND FACILITATED EXERCISE

This was a draft policy exercise with the anticipated outcome of gathering all policy recommendations from the members. Members divided into groups based on numbers assigned as they arrived. Each group rotated into five locations throughout the evening for summary presentations by staff. Questions, comments, and input from all members were collected at each presentation.

At the conclusion of the presentations, the entire group convened again. Michael Ashcraft explained the next step which was the dot polling with a change. Members received 5 blue dots and 5 red dots at this meeting to use on items of interest. Discussion ensued after several members requested additional polling dots. After it was determined that the

majority of the members favored having more dots, every Task Force member received 5 more dots of each color for a total of 10 blue and 10 red dots. The results will be compiled by staff and presented at the October 30 meeting.

Several concerns were raised by members. A review of past dot polling results was requested to make sure nothing was missed. Clarification was requested on water lobbying efforts under the Regional Collaboration and Water Resources Sustainability category.

The Financial Planning, Billing, and Customer Service area elicited the following discussion:

- Priority should be to make rates competitive with other cities
 - Comparable
 - Cost effective
- Benchmarking efforts should be undertaken
- Suggestion to read meters every two-three months rather than monthly
 - Average or estimate for the other months
 - Customers should pay for what is actually used on the month that the meter is read and adjust/average rates for other months. (Comm. Garland reported that this was done many years ago.) A type of Equalizer rate option used by power companies was presented as an example.

Under the Operations and Infrastructure area, the main concern was that members could not remember discussing the implementation of Storm Water fees.

Staff will address all items of concern at the October 30 meeting.

ADJOURNMENT

The meeting was adjourned at 8:03 p.m.

**MINUTES
CITY OF GLENDALE AD HOC CITIZEN TASK FORCE
ON WATER AND SEWER**

**PALO VERDE ROOM
ADULT CENTER
5970 W. BROWN STREET
GLENDALE, ARIZONA 85301**

**TUESDAY, OCTOBER 30, 2012
6:00 p.m.**

CALL TO ORDER

The meeting was called to order at 6 p.m. by Michael Ashcraft, facilitator. He welcomed the members and explained that this meeting is the culmination of their hard work. The information to be reviewed is summed up in what staff believes they heard the Task Force say on the various subjects.

ROLL CALL

APPROVAL OF MINUTES OF THE OCTOBER 2, 2012 MEETING

Sally Melling, Water Services Sr. Secretary, asked for approval of the Final Minutes for the October 2, 2012 meeting from the Task Force. A motion to approve the minutes was made by Comm. Becker, seconded by Comm. Loya. The minutes stand and were approved as written by voice vote.

WELCOME WITH UPDATES

Michael Ashcraft briefly reviewed the evening's agenda and explained the process. A series of five brief presentations would be given on the areas covered in the booklet. He thanked the members for their six months of dedicated hard work to date. He repeated the Desired Outcome of the Task Force. He requested policy recommendations and direction from the members through consensus. Comm. Williams asked where the item on protecting the Enterprise Fund was. Craig explained it is on the last page. He also explained the booklets had been made with that item missing but several emails from Task Force members pointed out that it was not included. It was included as an addition on the last page. He clarified that the booklet topics as written by staff are in the "should" mode to signify that these are recommendations and suggestions from the Task Force. The Council, when it enacts policies, uses the "shall" mode. He further explained that the Task Force is making recommendations and therefore the wording is in the "should" mode.

Doug Kukino, Environmental Resources director, explained the actual report format and all that will be included. Comm. Livingston questioned why his water bill had almost doubled in 2 years with the same amount of people and the same amount of usage. He stated that nothing that he has learned to date shows him that the city and this department will be doing anything to lower the rates. In his opinion, it is status quo. He feels that without the protection of the Enterprise

Funds that was added to the back page, the existing City Council, the future City Council, and future Mayor will raise the rates and raid this department because it is a cash cow. His opinion has not changed from when he first started with the Task Force.

It was asked if it had been staff's intent to leave out the protection of the Enterprise Fund and if it was not, how could such an important item to the members be left out. Doug replied it had never been intended to be left out, it was an oversight. Kerri Logan further explained that the main issue was that it was not known how to present the item. And in trying to find the correct and most appropriate way to frame it, staff wanted to bring it to the Task Force for clarification.

Comm. T. Arnold asked to read the following statement into the minutes as his opinion on what the Number One item of concern should be:

“Misappropriation of Enterprise Funds

It is the opinion of the Citizens Task Force on Water and Sewer that the Mayor and City Council made a serious error in judgment when it approved the use of funds from the Enterprise Water & Sewer utility accounts for funding the NHL hockey team. This error has compounded the current financial crises for the city and put Glendale's financial status in jeopardy. This is unacceptable to the residents of Glendale.

It is the recommendation of this task force that the monies from all the Enterprise funds be kept separate from the general funds. In the future, these funds should only be used for utility needs, or for exceptional emergency situations. This will guarantee the stability of the Enterprise funds and keep them from being used for other questionable 'business decisions'.

The payback of Enterprise funds already borrowed should be considered a priority debt and repayment should be completed before any other new debt obligations are incurred. The current twenty year payback period is unacceptable and should be accelerated!”

Comm. Arnold stated he was an irate Glendale citizen and a loud and clear message needs to be sent to the Mayor and Council about the misrepresentation of money. He also said Glendale citizens are extremely upset about this mismanagement.

PRESENTATIONS AND FACILITATED EXERCISE

This was a draft policy exercise with the anticipated outcome of reviewing and confirming all policy recommendations from the members. Joetta Miller, Environmental Program Manager, presented item I. Public Involvement and Community Education. Comm. Livingston wanted to see the word “should” changed to “will” in the sentence: *The City **should** provide opportunities for citizen engagement regarding the sustainable management of water and the impacts to the well-being and quality of life for Glendale residents and businesses.* Comm. Short pointed out that to change the word “should” to “will” requires an ordinance directing the action. Comm. Garland stated that the Task Force does not have the authority to direct the actions of the Council. The Task Force mission is to make recommendations. Joetta stated that on I. Public Involvement and Community Education, section B. Community Education and Outreach Programs, wording was changed to better reflect member comments. A concern was raised that providing a conservation program would increase the cost of water to pay for it. She clarified that 2/3 of the conservation program is grant-funded. Members were reminded to mark their booklet in the support

with changes column & indicate wording changes. Comm. Sherwood requested that presenters indicate if the items presented were already in effect or had been implemented from suggestions. Comm. Livingston wanted to see businesses educated more aggressively concerning fats, oils, and grease in the sewer system. Joetta explained that the suggestion is written very broadly in an attempt to encompass several topics and environmental best practices, not just fats, oils, and greases. Fats, oils, and grease were specifically mentioned because of the number of concerns from Task Force members. Craig Johnson explained that one division in the Water Services Department is Pretreatment and they provide business and industry monitoring. He further explained that residences are big grease producers; and businesses come in second. He stated that while businesses are regulated by permit and monitored, private residences are not. He pointed out that garbage disposals are not well liked in the water and sewer business. Fats, oils, and grease melted by hot water in a sink only solidify farther down the line. His suggestion was for residents to put cooking grease and oil in a container and place it in the garbage. Comm. Bailey suggested that educational material should be "age appropriate" while Comm. Loya asked that "at grade level" also be added for a better description.

Doug Kukino presented item II. Regional Collaboration and Water Resources. Craig Johnson advised members that an item was brought before Council at the October 23, 2012 meeting dealing with Loop 303 growth. He explained that this growth would not fall under the city's water and sewer service area. He further explained that each developer must supply an assured water supply certificate for their development; this protects the city's assured water supply. He confirmed that the sewer provider is a viable server with no cesspools going in.

Mike Weber, Water Services Deputy Director, presented item III. Operations and Infrastructure. Comm. Loya asked that water requirements be changed to "meets and exceeds" all requirements. Comm. Livingston asked why his sewer bill was greater than his water bill. Mike Weber advised him to please make a notation on his book so that it could be looked into and perhaps further study would reveal more information. Mike also explained that appeals are available and are sometimes made if abnormalities are discovered. Comm. Sherwood feels that the term "exceeds" as stated earlier could be a sticking point on higher rates. Mandates are made by the government reference water quality that must be met without any funding to help cities do so or any recourse to push back against the government. The additional chemicals are what costs and leads to higher rates. He wants "exceeds" left out because city water already meets requirements and is better than any bottled water someone can buy in a store. It was requested that under the Wastewater Collections and Storm Water Management topics, the words "on an annual basis" be added after the terms dealing with inspection and cleaning.

John Henny, Water Operations Superintendent, presented item IV. Employee Development, Retention, Safety, and Productivity. Comm. Garland asked about cross training for staff and Comm. Cruz asked what types of rewards are in place for staff performance. John answered that we do currently have cross-training and will continue to do so; and for performance: only small rewards, but there is no performance pay incentives offered. Comm. Bailey stated that some type of an averaging or equalization payment plan should

be developed for the water and sewer bills. John said that would be an excellent topic for an anticipated future water commission.

Craig Johnson, Water Services Executive Director, presented item V. Financial Planning, Billing and Customer Service. No funding obtained from the General Fund; the Water and Sewer Department is an Enterprise Fund and as such is run as a business for the health and well being of the people we serve, and provides self-sufficient funding. Only rate increases can bring in more money for the department. Water Services has an income of about \$80M per year. It has \$48M in operating and maintenance costs to do business, \$25M in debt on \$300M in bond sales since 2003. There was a debt restructuring done recently to reduce interest and save approximately \$2.5M per year for 3 years in a row. Debt restructuring doesn't bring in money but it reduces the amount of money going out. The department's long range plan is looked at annually and revised as needed. The City Council reviews and approves the plan every year. Rate increases put in place in the recent past were to pay for new plants built and infrastructure. Building projects are pushed out to much later dates. There are currently none in the department's 10-year plan.

Reserves are not a mandated item and are to deal with what the organization feels is important. The debt service ratio is mandated and has to be above 1.2. The department has implemented zero-based budgeting. Comm. Abeyta asked if there is any information to determine what adequate reserves should be in regards to debt ratio. Craig replied that the American Water Works Association and Water Environment Federation have guidelines which state a six month funding reserve should be on hand to fund pipeline replacements for water and sewer. In the case of Water Services that equates to around the \$12-14M range. Comm. Williams questioned the use of Enterprise Funds to help fund the Coyotes Hockey team. Craig explained that the rate determination process needs to be what is fair and equitable and that is the only issue that he can control. Comm. Livingston asked for clarification on the point "Balancing competing demands". Craig replied that such demands as meeting federal water regulations, monthly emergencies, and wells and water supplies. Comm. Livingston suggested that data on the rates from every city in the area be collected, averaged, and that would be the rates that Glendale charges. Craig explained that couldn't be done as the rates developed must meet the business needs of the department. Comm. Schewierjohn provided more of a general financial explanation on what companies look for when refinancing bonds. Comm. Bethel asked if there is growth capacity on some of the plants that have been built. Craig replied that investments were made on anticipated growth in the city and that line of thinking is correct. It was asked what the rate of return is on the funds transferred to the General Fund. Diane Goke replied that the rate is 3.92% on the funds transferred from the Landfill and Sanitation Enterprise Funds and that is what the current market projection is for funds from the Water and Sewer Enterprise Funds. Comm. Short asked that where the words "fair and equitable" are to be inserted on the Rates bullet point, the words "based on actual demand and projected needs" also be added.

Comm. Williams questioned Craig on not being comfortable with the fund balance now that it has dropped to \$50M. He also asked if Craig would be comfortable with the balance being \$90M when the General Fund pays back the amount that was borrowed. Craig clarified that he didn't say he was not comfortable, he said that it reduces flexibility but it

doesn't mean that rates are going to be raised. Comm. Williams asked again if Craig would be comfortable once the funds are repaid. Craig clarified that of the \$40M amount that Comm. Williams is referring to, \$25M belongs to Sanitation. The Water and Sewer Fund had \$15M transferred out of it. Craig confirmed that he would be comfortable with \$55M in the fund.

Comm. Williams asked if rate changes will be approved by a possible future Water & Sewer Commission/Committee or if it would be up to the Council. Craig stated he thought that the rates discussion would take place with the committee and it was a good question. Comm. Williams questioned an issue that was discussed at a prior Council Workshop, about a developer owing \$90,000 on a water bill. Craig replied that it hadn't been confirmed that it was entirely a water bill debt and more investigation was needed. He explained the disconnect process. If an account is turned off, it is 60 to 90 days delinquent and the account holder had gotten two disconnect notices prior to the shutoff. The city has \$1.6M in aging debt which has been turned over to a 3rd party collection agency. People that have problems are worked with, including given a payment plan. After 60-90 days, and an account holder does not show any interest in paying their bill, it is then turned over to the collection agency. Comm. Sherwood asked about having credit card holders pay a convenience fee to offset the \$800,000 fees that the city has to pay to credit card companies. Craig pointed out it is on the Dot Polling items.

Water Services Commission bullet: Craig explained it would be the same as other boards such as the Planning Commission or an advisory board. Comm. Abeyta asked if all policies would be reviewed by the commission. Craig stated that transparency is key in the city manager's policy and that he couldn't think of anything. Comm. Arnold asked that under Billing: bullet c. the words "best practices" should be replaced with "aggressive collection practices". Comm. Schwierjohn commented that due to the Fair Debt Collection Act, this term could be illegal. He suggested the wording be changed to add "best practices in accordance with the Fair Debt Collection Act" to remain safe.

Craig addressed the paragraph read into the minutes by Comm. Arnold referring to the Enterprise Funds. Comm. Short explained choices available to the Task Force for requesting changes on this item—City Charter amendment by election, City Code change by an ordinance, and policy change by Council adopting a resolution; and the levels of difficulty of changing any of them to make funds available for transfers. Craig made clear that any changes recommended would only impact Water and Sewer Enterprise Funds, no other Enterprise funds. Michael Ashcraft asked for a show of hands in support of the City Charter amendment. Craig recommended any statements be written in the booklets instead. Comm. Hackenberg pointed out that the loan made from Water Enterprise Funds is not impacting rates and will be paid back with more interest than it would be earning if it sat in the account. Comm. Knickerbocker asked what would constitute a water and sewer emergency and questioned actions if it wasn't only water and sewer. Comm. Bethel requested clarification for what type of emergency scenario the Enterprise Fund would be allowed to be used. Comm. Bailey gave the example of the heavy windstorm several years ago that caused widespread damage. The city came out with chain saws and large trucks almost immediately and assisted with cleanup. Comm. Schwierjohn pointed out that unless

member consensus is 100%, phrasing needs to be included to indicate Task Force member support is not unanimous. Michael Ashcraft again asked members to indicate on their booklets their level of support for the statement by Comm. Arnold.

Staff will compile all results and any comments in the members' booklets and further address items of concern at the November 26 meeting.

ADJOURNMENT

The meeting was adjourned at 8:34 p.m.

**MINUTES
CITY OF GLENDALE AD HOC CITIZEN TASK FORCE
ON WATER AND SEWER**

**PALO VERDE ROOM
ADULT CENTER
5970 W. BROWN STREET
GLENDALE, ARIZONA 85301**

**MONDAY, NOVEMBER 26, 2012
6:00 p.m.**

CALL TO ORDER

The meeting was called to order at 6 p.m. by Michael Ashcraft, facilitator. He congratulated the members since this was the last working meeting for the Task Force and summarized the evening's schedule. He asked members to think about selecting a representative to attend the Workshop presentation on Tuesday, December 18, 2012 when the recommendations will be presented to the Council. Comm. Livingston suggested that the presentation be made to the new Council that would be seated in January 2013. Craig Johnson, Executive Director, Water Services Department, explained that this Task Force was formed in response to the Item of Special Interest request of Mayor Scruggs and the current Council. He further stated that due to the importance of this subject, it is very likely that another presentation will be made to the new mayor and council also. Comm. Zomok feels that the current council has placed a high importance on the results of this Task Force and it is unknown how highly the new council will place it. Several commissioners concurred. Comm. Aldama feels that both the current and new Council are aware of the studies and findings of this Task Force. Comm. Garland believes that the schedule should be followed as adopted which means reporting the recommendations to the current Council. Comm. Steiger also believes that the privilege of having the findings reported to them belongs to the Council that formed the commission.

Michael Ashcraft briefly explained the round table exercise that will be done to formulate the final report of recommendations. He explained the rule that everyone has the right to speak once before anyone has the right to speak twice.

ROLL CALL

APPROVAL OF MINUTES OF THE OCTOBER 30, 2012 MEETING Sally Melling, Sr. Secretary for Water Services, discussed corrections to the minutes. A motion to approve the minutes with corrections was made by Comm. Loya, seconded by Comm. Zomok. The minutes were approved with corrections.

The areas of recommendations were addressed beginning with item **III. Regional Collaboration and Water Resources Sustainability**. Discussions were held on each area and consensus was reached by the group.

The second area discussed was V. Employee Development, Retention, Safety, and Productivity. Discussions were held on each area and consensus was reached by the group.

The group then discussed area II. Public Involvement and Community Education. Consensus was reached by the group after discussion.

The group then studied and discussed area IV. Operations and Infrastructure. Consensus was reached on all items except Urban Irrigation. Because no consensus could be achieved on this item, it will not be included in the final report.

The last area to be determined was I. Financial Planning, Billing, and Customer Service. Consensus was reached on all items for recommendation including the exclusion of item F. Misappropriation of Funds.

The complete final report format was reached by group consensus. Members were reminded to sign the final report signature sheet as they left. The signature sheet will also be available at the Tuesday, December 4, 2012 meeting.

Volunteers were requested for one representative and one alternate to attend the December 18, 2012 Council workshop when this item is presented to Council. Craig explained the afternoon start time and the responsibilities. Member nominations were made by anonymous paper slip as members adjourned for the evening. The member with the most support will be the representative and the member with the second most support will be named alternate. Staff will tabulate the numbers and inform the members. Comm. Short requested an addition to the Council cover page letter from the Task Force members include a note of appreciation for the efforts of the facilitator Michael Ashcraft and Water Services staff. Voice approval supported this request.

ADJOURNMENT

The meeting was adjourned at 8:55 p.m.



Ad-Hoc Citizen Task Force on Water and Sewer Summary Minutes

PALO VERDE ROOM
ADULT CENTER
DECEMBER 4, 2012
6:00 P.M.

-
- I. CALL TO ORDER 6:05 P.M.
 - II. ROLL CALL
 - III. APPROVAL OF MINUTES OF THE NOVEMBER 26, 2012 MEETING APPROVED
 - IV. WELCOME
Craig Johnson, Executive Director, Water Services Department NO ACTION REQUIRED
 - V. MEMBER RECOGNITION AND CELEBRATION NO ACTION REQUIRED
 - VI. ADJOURNMENT 7:00 P.M.

FOR SPECIAL ACCOMMODATIONS



Please contact Sally Melling at (623) 930-4116 or spmelling@glendaleaz.com at least three working days prior to the meeting if you require special accommodations due to a disability. Hearing impaired persons should call (623) 930-2197.

Appendix 4

Facilitated Exercise Notes and Dot Polling Results

**Citizen Task Force on Water and Sewer
April 30, 2012
Notes from Facilitated Session**

THINGS I BRING TO THE GROUP

Group 1

- A. Open Mind
- B. Experience with water dist. And sewer in gov't
- C. Engineering knowledge
- D. Construction knowledge(Mgmt)
- E. Listen well, willing to help others
- F. Objectivity
- G. Diverse backgrounds

Group 2

- A. Working knowledge of construction & mining as it relates to H2o
- B. Interest
- C. Listening to citizens, Public avenues
- D. 38 yrs of business/tech expertise-mechanical
- E. Myself & any ideas I have to suggest
- F. Willingness to learn
- G. Construction/home building experience
- H. Open mind-Farm experience w/wells-Understand how H2o works-H2O table
- I. Program Mgt- skill set

Group 3

- A. Love of Glendale
- B. 20 yrs in Glendale
- C. An interest in how the city functions
- D. Analytical & structured mind
- E. Pertinent to the discussion
- F. Listening skills
- G. Youth perspective
- H. Open mind, creativity & questions
- I. A concerned citizen-pay the bill
- J. Respect for others ideas
- K. World wide experience
- L. Experience in water exp

Group 4

- A. Construction background: water & sewer projs
- B. Worked for AZ Dept of Water Resources-26 yrs
- C. Professional civil engineer-water resources
- D. Knowledge of H2o & wastewater piping & measurements
- E. Civil & sanitary engineer-design H2o/wasteH2o treatment plants
- F. Ability to see patterns-analytical ability-ecological processes
- G. Open mind, ready to participate
- H. Passion
- I. Understanding of water

Group 5

- A. Previous cmte experience
- B. Committed to the process
- C. Open mind
- D. Enthusiasm
- E. Entire career in H2o/wastewater-professional exp
- F. Intelligence
- G. Quick read
- H. No previous water exp(other than drinking)
- I. Business/analytical exp
- J. Leadership
- K. Knowledge of Glendale from resident perspective
- L. Engineering exp
- M. Solid education
- N. Localized knowledge of water/wastewater industry

Group 6

- A. Planning expertise
- B. Open mind
- C. Willingness to participate
- D. Interest in the topic as a budget conscious homeowner
- E. Business sense
- F. Willingness to do research
- G. Team player
- H. Willing to learn
- I. Knowledge & understanding of water
- J. Engineering background
- K. Technical aptitude of water dept

- L. Interest in water sustainability
- M. Construction background
- N. Technical understanding of water systems
- O. Heavy water user

HOW MIGHT I HINDER GROUP PERFORMANCE

Group 1

- A. By not providing input
- B. Historical context(only lived in COG 5 yrs)
- C. Need to be convinced; stubborn
- D. May not always agree
- E. By not speaking mu concern
- F. May not be open to other ideas

Group 2

- A. Lack of knowledge on how rate increases are made in public sector
- B. Not participating
- C. Hard to hold back sometimes
- D. Familiarity w/ state water regulations
- E. Not attending or paying attention
- F. Disagreeable-unwilling to learn
- G. Not accepting others ideas

Group 3

- A. Lack of input on missed tours
- B. Sometimes becoming opinionated
- C. Asking too many questions
- D. Too many comments
- E. Unfamiliarity
- F. Might get stuck on one point until understood
- G. Stear(sp) the group
- H. No experience participating in city government

Group 4

- A. Tendency to talk to much
- B. By not participating
- C. Too much attention to detail

- D. Don't assume others know too much jargon
- E. Too much pontification

Group 5

- A. Closed mindedness-impatience with ignorance
- B. Sometimes talk to much-not listening
- C. Occasionally too enamored with my own ideas
- D. Tend to edit ideas too much
- E. Unintentionally goofing off
- F. Industry knowledge disadv.-too analytical-relate to staff perspective
- G. Pontificate
- H. Complete lack of knowledge on subject matter

Group 6

- A. Talk too general
- B. Fail to provide input
- C. Impatience
- D. Might not make 1st tour
- E. Strong belief of govt. waste
- F. Not knowing what to ask
- G. Need too much detail

WHAT I NEED FROM OTHERS TO DO MY BEST

Group 1

- A. Honest answers, filling in the historical gaps
- B. Encouragement to expand on ideas
- C. Good info to build on
- D. Engagement
- E. Everybody provides input & support

Group 2

- A. Broad perspective of issues-they may have ideas I haven't thought about
- B. Hard & accurate data from staff
- C. Listen to ideas-not rejecting them & building on ideas
- D. Dialog & feedback
- E. Share & discuss appropriately
- F. List of assets,liabilities,wst of operations,revenues,irrigation residents,balance sheet
- G. Learn from others-patience from others

Group 3

- A. Challenge me
- B. Listen before commenting
- C. Encouragement
- D. Joint participation
- E. Empathy
- F. Focus on the task
- G. Want conversations & ideas-build off them
- H. Have fun-don't get too intense
- I. Use common sense
- J. Engagement(listening,responding,not distracting)
- K. Input from others
- L. Clear definitions & explanations

Group 4

- A. Listen in RE:water & wastewater measurments
- B. Need to be asked questions
- C. Being collesigl (sp)& courtesy in discussions
- D. Honest perspective
- E. Everybody's ideas feed on each other
- F. Participation from others based on their background
- G. Interest & respect

Group 5

- A. Open honest candid feedback
- B. Patience for my short comings
- C. Group to force explanations
- D. Active participation from group
- E. Participation
- F. Acceptance of all ideas
- G. Encouragement
- H. Understanding
- I. Ability to hitchhike on others' ideas

Group 6

- A. Attention
- B. Input from all
- C. Listening
- D. Positive, solution-focused conversation

- E. Understanding what we're trying to achieve
- F. Clear definition
- G. Understanding background, wants & needs
- H. Have fun

WHAT ARE MY EXPECTATIONS FOR THE GROUP

Group 1

- A. Involvement from everyone
- B. Help each other
- C. Maintain level of service; keep rates down
- D. Reach a fair, amiable solution for water/sewer rates
- E. Learn a lot about water
- F. Seek understanding, expand outward to citizens
- G. Be vocal as a group, analytical & objective

Group 2

- A. Accomplish goals & remain friends
- B. Listen to all ideas-ask tough questions
- C. Non-judgemental-don't take things personally
- D. Share & discuss everyone's ideas
- E. Come up w/most meaningful recommendations of the group
- F. Thorough understanding of the process & cost
- G. Good group of people that come up w/wild ideas-building on those ideas
- H. Build solid consensus on the most important issues of H2o/sewer services
- I. Ability to communicate our results to the community
- J. Come up w/cheaper water rate than Phoenix

Group 3

- A. Don't make decisions on emotions-validate recommendations
- B. Active participation
- C. Good discussions
- D. Varied ideas
- E. Creative solutions
- F. Reach a consensus
- G. Think outside the box
- H. Work together(team building)
- I. Present valid ideas

- J. Improve life in Glendale
- K. Stress to come up w/real outcomes
- L. Get to know each other

Group 4

- A. Have input into the overall conversation w/ the overall group
- B. Useful, implementable rec's
- C. Make sure their recommendations ensure H2o/sewer rates are fair & reasonable
- D. Have an understanding of the value of water
- E. Clarity of the task for setting rates
- F. Maintain a positive environment for learning & discussion
- G. List of varied opinions
- H. Aspire to have the best water & sewer services in AZ

Group 5

- A. Work well together
- B. Enjoying collaborative process
- C. Arrive at a meaningful consensus &/or recommendations
- D. Use Knowledge we learn to make informed recommendations
- E. Develop shared/deeper understanding of the H2o & sewer delivery process
- F. Learning from each other
- G. Team synergy
- H. Have fun and enjoy the moments
- I. Listen to each other
- J. Cooperation

Group 6

- A. Meet objectives of the task force
- B. Good product when complete
- C. Achieve results
- D. Be heard by the city council
- E. Stay on task
- F. Have consensus of objectives & meet them
- G. Make specific water rate recommendations
- H. Support groups' needs & objectives
- I. Learn

City of Glendale

Citizen Task Force on Water and Sewer

Notes from Facilitated Session

5/1/12

What do you want us to focus on as we go forward?

Group A

- A) Understanding how the department works/ Org chart
- B) How our rate structure and cost compare to other cities
- C) Cost of service to the Glendale residents
- D) Cost to produce 1 gallon vs. cost to customer
- E) Determining rate of water usage vs. rate of sewer usage
- F) Plan of action for infrastructure repair/ building
- G) Why does my water bill increase in summer when annual usage remains consistent?
- H) Irrigation System – Integrity of infrastructure
- I) Economy's effect on current Utility rates
- J) Sources of water

Group B

- A) Long-term sustainability
- B) Senior citizen water rates
- C) Short-mind and long-range system plans to include infrastructure maintenance and replacement
- D) Conservation culture out reach
- E) Projected costs per water usage {Current vs. Future
- F) Explore more options for use of effluent water
- G) Educate community/youth on usage of water
- H) Financial planning for future infrastructure
- I) Higher standards of benchmarking (i.e. -Tucson)

Group C

- A) Infrastructure
- B) Water Supply – Do we have enough?
- C) Cost Analyst – WW/SW/DW
- D) Wells – healthy number, amount of water
- E) Containing wst while maintaining quality

- F) Safety of our water
- G) Treatment facilities – Do we have enough?
 - a. Growth of Glendale
 - b. How much can we sustain?
 - c. Location of Utilities? – Appropriate?
- H) Customer Service – move into 20th Century
- I) Uniform rate structure
- J) Conservation
- K) Options for reuse
- L) Code compliance for those who waste water – accountability?
- M) Revitalization for all water services
- N) Ear marked funding for Water/Sewer
- O) Accuracy of our water meters
- P) Technology in our water meters
- Q) Explanation of Billing process

Group D

- A) Infrastructure Maintenance
 - a. Inspection
 - b. Cost
- B) Impact of current budget situation on sustainability of enterprise fund
- C) Why is the sewage rate higher than water – Explanation of Adjustments
- D) HOA's vs. Municipalities bearing the costs – different rate structures?
- E) Irrigation Issue – What is Glendale's role vs. / SRP, etc.
- F) Security, Protection
- G) Tiered Rates
 - a. Are they Available
- H) Rate Establishments
 - a. Differences in rates inside vs. outside home
- I) Where does effluent go?
- J) Better Public Education better evaluation of homes conservation incentives for conservation devices not penalties.

Group E

- A) Economic – How will we afford overall system maintenance and delivery?
- B) Infrastructure replacement/rehabilitation
- C) Afford EPA promote new standards
- D) What are we doing re: water conservation
- E) Putting cost of water in perspective vs. other bills/expenses
- F) Will people pay more money when they think they have a right to water
- G) What can we do to ensure a long term safe supply and replenish system

- H) Is destination an option?
- I) Toilet to tap
- J) Incentive for using grey water – passive green water
- K) How do we compensate for water supply – growth
- L) Safeguarding/Security of water supply

Group F

- A) What does water department hope to gain from us?
- B) What infrastructure needs over next 20 to 30 years Construction/Maintenance
- C) Planning for effluent/Grey water use
- D) What creates the rates
- E) What's the revenue – What do they take in where get capital
- F) Current master plan review
- G) How do we impact master plan
- H) Commitments/Reliability of surface/ground water for next 20 – 30 years
- I) Water value 20 years from now – projected costs
- J) Will new casino infrastructure affect our supply
- K) What system/ programs in place to decrease water usage
- L) Pollutants in water? (Meds etc.)
- M) History of Enterprise fund spending/ revenue etc.
- N) Payments/Cost for permits
- O) Outstanding bond payments
- P) Liabilities
- Q) Storm water procedures – old vs. new process
- R) Outreach/ education for citizens
- S) What's our end product
- T) Good definition of our output – Task force/staff strategic plan
- U) Anything to not touch/deal with hidden agenda
- V) How can we address the hidden agendas – find them out
- W) Urban irrigation
- X) Open discussion on site for new questions
- Y) Security measures – system security

Citizens Task Force Current Interest as of 5/1/12.

Topics	Blue Dots	Red Dots
Infrastructure		
Complete Planning of System/ Infrastructure	24	0
Economics of Water: O&M/Infrastructure/Regulatory compliance/ Replacement/ How much will it cost & how to pay for it?	12	0
Infrastructure: Safety, Quality, Longevity, Reuse	7	0
Analysis of state of infrastructure with plan for maintenance & repair	5	0
Infrastructure: Inspection Costs	0	0
Current/Future Infrastructure Strategies (Future Regulations)	0	0
Total for Infrastructure	48	0
Financial Planning		0
Consumer rate costs vs. city production costs?	14	0
Financial Planning & Disclosure (Current & Historical etc.)	8	0
Cost - Understanding cost application / Billing Procedures/ Accountability	8	0
\$ Money \$: Understanding rate structure and how individuals are affected by rate structure? How is the money managed? What is the impact of the current budget situation and where is it leading?	5	0
Education: Explain Rates, Available incentives for conservation, Irrigation, Security , Where does the waste go. Home Assessments.	4	0
What makes up the rate cost for sewage?	0	1
Total for Financial Planning	39	1
Additional Topics		
Strive for Long-term Sustainability through education/conservation	17	0
Identify a community with higher standard of benchmarking?	16	9
Are we appropriately situated for growth? (New Technology)	15	0
Conservation of Water: Toilet to Tap/ Grey Water/ Water Societies/Value?	7	11
Water Assurance: Long-term/ Desalination/Security/Competition?	7	0
What does the water department & City expect from task force? (Objectives, recommendations, agendas?)	5	3

City of Glendale

Citizen Task Force on Water and Sewer

Notes from Facilitated Session

5/21/12

Initial Policy Issues/ Concerns/Suggestions

Group A

- A) Update General Plan (future water planning)
 - a. Include redevelopment
- B) Maintain long term acquisition planning & rights
- C) Concern: Will we have adequate dedicated funding to ensure state of the are sewer/water facilities?
- D) Will rates be raised? Political pressure
- E) Separation between GF activities & enterprise fund activities
- F) Affordability of water/sewer for Glendale residents

Group B

- A) Investigation into types of chemicals used in the future – Cost/Environmental
- B) Is there enough money to build future facilities? (10%)
- C) What is the Enterprise fund comprised of?
- D) Where is Capital expense comprised of?
- E) Input of new legislation on our resources?
- F) Water supply issue – (disaster prepare & discuss)
- G) What effect do the burned out water used acres have? (Contamination, etc....)
- H) Seem to have good capacity currently.
- I) What is process behind the master plan – why only done one time per decade?
- J)

Group C

- A) Privatize infrastructure & treatment?
- B) Should be some marketing/ PR for community
- C) Adequate supply – Dow we have? How to get?
- D) A focus on policy makers
- E) Security (more of it) visible security
- F) What are the new EPA standards upcoming do test for
- G) Can we generate our own electricity for the plants?
- H) Ongoing lobbyist
- I) Advancing policy on our rights, leasing rights...
- J) Review of own an agricultural needs – purchasing water rights to reduce agriculture

- K) Zoning (review it)
- L) Adequate capacity review expansion capacity
- M) If we have enough can we sell it to others
- N) Cheaper/more efficient way to treat our water – Have we explored?
- O) What is policy on infrastructure/_ review/ - replace
- P) How does city leadership determine policy on annexation of future use?
 - a. Part of master plan – What is level of infrastructure
 - b. What water rights do “annexed” have?
- Q) Look at opportunities more closely
 - a. Sell surplus
 - b. What is advantage of having too much /more than needed
- R) Do we have a policy on tracking advantage of opportunities?
- S) Long range planning
- T) Government – Gov./State/ City – Lobbyist
- U) Creative ways to deliver opportunities – financial delivery – generate own electricity
- A) Can this committee/task force be ongoing – education & understanding
- B) Where does Gila Bend get its water
- C) What happens to our rights if reservation is there – groundwater supply? – recharge?
- D) More information on security of the plants

Group D

- A) Do we have political representation?
- B) What are staffs concerns so that task force members have a frame of reference
- C) How are water rates determined?
- D) It is unclear what task force purpose/process is....
- E) Value of out sourcing vs. in-house
- F) Plan for diminished water supply.

Group E

- A) Staffing levels – Ops #'s
- B) Diversification
- C) 96% of Water supply subject to drought; Diversify portfolio
- D) Other options?
- E) De-salination plant
- F) More reliable water source
 - a. What are the other sources/options
- G) Use reclaimed water as drinking water
- H) Bottle and sell city water
- I) Cost for lobbying included in politics
 - a. Water costs – what does the fight cost?

J) Continued monitoring water policy that affects the City of Glendale so we get our fair share

Citizens Task Force Current Interest as of 5/21/12.

Topics	Blue Dots	Red Dots
Clarify all staff's policy concerns	19	0
Federal, state & local political support?	14	0
Improve diversity and reliability of water sources	13	0
Ensure adequate dedicated funding for Utilities	9	0
Ongoing citizen awareness/education re: Water & Sewer Quality	9	0
Develop a comprehensive plan to take advantage of opportunities to reduce cost, buy/sell, assure supply, develop/create capacity, self sufficiency	8	0
Plan for diminishing water supplies	7	0
Recognize the regional political cost of water	7	0
What does the Enterprise fund comprised of?	5	2
What is the process behind the master plan?	5	4
Active Representation and proactive involvement in water rights discussions	4	0
Water supply issue - Worst case scenario -	2	0
Adequate Staffing levels to ensure we continue to exceed minimum government standards (Low # of staff is of concern)	2	4

City of Glendale

Citizen Task Force on Water and Sewer

Notes from Facilitated Session 6/25/12

Wastewater & Water Distribution Systems - Policy Issues

Group A

- A) Keep \$ in Utilities.
- B) Change to city charter to support A).
- C) Keep eye on change in technology.**
- D) Concern on rehabilitation and replacement fund.**
- E) Technology changes not appropriate to time.
- F) Improve employee retention – non – monetary/quality of life incentives
- G) Staff/Critical operations to improve efficiency
- H) Benchmarking with critical functions

Group B

- A) WD – Average age 28 years – set aside annual \$ 10%net profit to replace oldest lines, meters, hydrants, valves, entire system.**
- B) Above funds into interest bearing account ongoing basis sufficient to include preventive maintenance
- C) Preventive maintenance
- D) Is enterprise fund in and investment vehicle?
- E) WWC – What are they doing to improve number of miles covered with CCTV Truck?**
 - a. Cross training?
 - b. Double shifts truck?
 - c. Outsourcing to augment?
- F) WWC – set aside sufficient funds to cover replacement of aged 32+ years of WWC system.**
- G) Proactively replace the oldest pipes/lines (Identify lifespan of system.)**

Group C

- A) Number of lines don't know much about ~ better identification - prevention
- B) Preventive system maintenance
- C) Prioritized plan for know defects**
- D) Specific policy to replace ACP (Specific number of miles per year)
- E) Waste Better policy to educate public about oil/grease problems – No pamphlets
- F) Standardize meters revisit radio read meters usage/concept – improve accuracy efficiency and reduce costs
- G) Set up PR re: more preventative education of public
- H) Standardized meters to reduce unaccounted for water costs
- I) Where is 6.5% unaccounted for water going from?

Group D

- A) What is resource replacement policy – process
- B) Public awareness with regards to waste disposal down sewer lines
- C) Investigation into enzymes or methods to better clean the grease/oil issues
- D) Staffing issue – cuts diminishing service
- E) Training/maintaining knowledge base with staff
- F) Stuffers/extra items to put in to water bills and the wst.
- G) Compensation structure- evaluates low compensation.
- H) Hydro- Cleaning – process to maintain higher amount than currently minimum #?**
- I) Establish benchmark # of miles for pipe cleaning/replacement.**
- J) Excess Funding – Priorities established for how to spend that funding
- K) Establish punitive action policy for problem areas frequent issues.
 - 1. Training/Public awareness
 - 2. Retention – knowledge & personnel succession compensation
 - 3. Replacement maintenance policy

Group E

- A) Better policy to educate public re: oil/grease problems – No More Door Hangers
- B) Outreach to commercial properties re: oil/grease
- C) CCTV – Increase number of files form 20 annually
- D) What is (#) value added from resources directed to CCTV hydro cleaning (Chart)

Group F

- A) CCTV at least 35 miles in next 5 years
- B) Cleaning prior to televising
- C) With a focus just on problem areas what/more inspections done on older pipe
- D) Training & Personnel adequate funding for it?
- E) Only 1 truck – do we have proper equipment?
- F) Money – What's the overall budget – is it going to other areas (non-water) Water Dept. took a big hit.**
- G) Westgate/Stadium logistic complexities – make it a priority
- H) Aging / Infrastructure water system 140 miles of unknown age – What's the risk?
- I) Sewer system – need to identify the problem areas – risk assessment
- J) Moving towards more smart technology
 - a. What do we need to do to initiate/move to that?
 - b. Is there a way for home owners to share the costs? Incentive?
- K) Great to go after grants – Continue
- L) SSO's – Stiffer policy/laws for restaurants
- M) More education for home owners what to / not to throw down system.
- N) Incentive ordinance/for restaurants program to recycle grease
- O) New programs for recycled grease (diesel bus use? Bio-fuel based energy purposes?)
- P) Do we have the capacity to meet the new EPA requirements?

Q) Capital vs. Dailey budget

Citizens Task Force Current Interest as of 06/25/12.

Topics	Blue Dots	Red Dots
System technology and maintenance		
Eye on changes in technology	10	0
Reduce risk through proactively maintaining and replacing aging infrastructure and exploring new technologies	8	0
Concern on rehabilitation & replacement	4	1
Standardized meters ex-incorporate technology for cost effectiveness	4	0
Replacement & maintenance policy in place	1	0
Totals for: System technology and maintenance	26	1
Evaluation of current resources		
Re-investment to proactively replace aged systems and equipment concurrent with their life cycles Water Distribution/Wastewater Collections *As products improves, lifecycles may be expanded *Coordinate with road replacement.	10	0
Develop comprehensive plan to identify repair known defects (H2O Dist.)	5	0
Efficient use of current resources (personnel, equipment...) & expanded budgets to continue to improve.	11	0
Totals for: Evaluation of current resources	26	0
Funding		
Protect Utility Funds Through City Charter Change.	24	5
Totals for: Funding	24	5
Staffing		
Employee Retention: Training/Succession planning - Compensation - Knowledge Transfer.	23	0
Totals for: Staffing	23	0
Productivity		
Develop department wide cross-training, double shifts, trucks, outsourcing, if necessary, to supplement, or augment productivity.	8	12
Totals for: Productivity	8	12
Public awareness		
Better policy to educate public about system issues problems that can be prevented (Example: Oil/Grease)	18	0
Public awareness & education (grease busters)	3	0
Policy regarding training & public awareness	0	1
Totals for: Public awareness	21	1

City of Glendale

Citizen Task Force on Water and Sewer

Notes from Facilitated Session

07/16/12

Water Reclamation & Storm Water - Policy Issues

Group A

- A) Maintenance schedule – how is this determined?
- B) Public awareness of not putting things (grease, etc.) down the drain.
- C) Why did the rules change on grease traps – prevention?
- D) Are we proactively moving forward with State and Federal laws? Cutting edge?
- E) Promotion of what we are currently doing with reclamation plants, partnerships with Palo Verde, etc... – Website Publications, etc.
- F) Proactive Employee training – recruitment keeping existing staff succession.
- G) Are we selling water at a competitive prices (i.e. agreement w/ Palo Verde)

Group B

- A) More resources dedicated to cleaning Stormwater (maintain/improve)
- B) Outstanding job – keep up the good work
- C) Storm water not treated/filtered - eliminate source of contamination pollution
- D) Better coordination of storm water drainage with all parties streets/development – (Tear up of street done one time.)

Group C

- A) Concern that long-term investing/planning will be curtailed or reduced due to current economic shortfalls.
- B) How much will general public take when it comes to rate increases? (Wastewater)
- C) How do we respond when our needs exceed our revenues?
- D) Is the city prepared to handle unforeseen quality issues? (If not, what resources are necessary to be prepared?) (Unplanned pollutants, contamination, new found terrorist methods, large weather impacts/ natural disasters)

Group D

- A) More aggressive penalties for violators
- B) Good work on maintenance – Keep it up!
- C) Better coordinated efforts for bulk trash collection during monsoon.
- D) Incentives for homeowners to collect Stormwater
- E) More visibility/public education Re: Stormwater
- F) Appropriate allotment of personnel/incentive program for retention of staff
- G) Establish contingency fund
- H) Explore alternative uses for direct reuse.

- I) Better coordination of workload capacity/potential revenue.

Group E

- A) How regulate water in lakes (Arrowhead/HOA's etc... Westgate, Golf courses) When it rains – Overflows
- B) Personnel – Do they have enough staff to stay on top of the inspections?
- C) Do they have enough equipment – One truck, etc.
- D) Is staff cross trained in Wastewater Reclamation in both plants?
- E) Is there a water amenities board?
- F) Coordination with future planning so wastewater/Stormwater is planned for at beginning of projects/requirement.
- G) How do we stay apprised of the best practices?
- H) Joint competitive bidding with neighbor cities for better pricing on chemicals.
- I) Education of public/schools to decrease debris/fats/oils/greases.
- J) Coordination with law enforcement for finding of vandalism/enforcement with those who buy stolen metals. Identify refusal to purchase blue metals.
- K) Keeping the funding dedicated to Water Services.
- L) Employee involvement – suggestions program for capturing good ideas? With an incentive for savings?
- M) Are they able to keep good people in house? Decreased turnover?

Citizens Task Force Current Interest as of 07/16/12.

Topics	Blue Dots	Red Dots
Public Awareness and Storm Water Maintenance		
Continue and enhance public education, enforcement & maintenance of storm water system	17	0
Public awareness - Promotion of partnerships, accomplishments, on going safety.	6	0
Dedicate more resources to cleaning Stormwater facilities, maintenance and improve	4	0
Totals for: Public Awareness and Storm Water Maintenance	27	0
Staffing Resources		
Staff/Resources - best utilization of staff - ensuring proper training/cross training, motivated, adequately funded, for the future.	18	0
Proactive with: Employment, training, recruitment. - Federal /State regulations and compliance	0	0
Totals for: Staffing resources	18	0
Staff Recognition		
Recognition of accomplishments by storm water technicians via award.	10	0
Good job - West Area treatment plant & SCADA	2	0
Totals for: Staff Recognition	12	0
Stand Alone		
Is the city prepared to handle an unforeseen quality issue? If not, what resources are necessary to be prepared. (Unplanned pollutants, contamination, newfound terrorist methods, large weather impacts, natural disasters.)	10	1
Ensure awareness of best practices and that opportunities are explored with neighboring cities (such as joint bidding/chem. Competitive bidding)	9	0
Concern that long term planning investing will be curtailed or reduced due to current economic shortfalls, and how does the city respond when our needs exceed our revenues/funding.	8	0
Better coordination of Stormwater planning with all parties - tear up street one time	5	0
Better coordination of reclamation capacity and alternative uses for potential revenue	5	0
Coordinate for future planning so (wastewater/water services) is part of planning at the beginning.	4	2
How do we determine maintenance schedules - priorities	0	0

City of Glendale

Citizen Task Force on Water and Sewer

Notes from Facilitated Session

08/20/12

Urban Irrigation & Billing - Policy Issues

Group A

- A) Keep irrigation.
- B) Irrigation pays more.
- C) Repair Irrigation as needed.
- D) Share repair cost with SRP?
- E) Protect historic district irrigation.
- F) Change to quarterly billing maybe reduces staff demands.
- G) Disclose payment options on bill.
- H) Upgrade payment website
- I) Extend lobby hours by varying work hours.
- J) Eliminate "From the Heart"
- K) Kiosk is a great idea!
- L) Put voluntary demographics on bill

Group B

- A) People not paying fair share with irrigation.
- B) Transparency re: disproportionate costs
- C) Managing other departments in same manner?
- D) General Fund money allocations unrelated operations???
- E) Enterprise Funds paying for irrigation deficit? Other funding for historic preservation other than enterprise fund?
- F) Accelerate kiosk install
- G) Reduction in hours = Reduction in service
- H) No cost savings from reduced hours

Group C

- A) Irrigation vs. regular payments – are the differences worth the effort?
- B) Is there a possibility for SRP to take over the system completely?
- C) Not decrease in customer service hours – people have to o may flex hours as it is? Training time really necessary?

- D) Customer service hours – Shift/extended by one hour earlier/later/ (8am to 6pm or 7am to 5pm) for the working adult.
- E) What is the cost of the infrastructure reinstall repair when goes completely?
- F) Why force people to use more expensive water? – what is loss of home values?
- G) Irrigation properties should have rate increase to keep up with rising costs.
- H) Kiosks don't add if can't find partners, to foot the costs
- I) What does the city get changed to use credit card payments?
- J) Can you legally pass that credit card cost onto the credit card user?
- K) Accept debit card payments only instead
- L) City should encourage more e-bill payments to save on postage
- M) Review equalizer payments (Same payment each month) to make it easier like APS.
- N) Education program on the irrigation issues – no idea until tonight.
- O) Customers service hours – Services are getting reduced – Careful study needed before drop in service.
- P) Email/phone notification to better manage usage
- Q) Why are phone calls so numerous? What are the issues dealing with?
- R) Disconnections – too long of a process. Money and time of staff spent on the process
- S) No system to handle foreclosures – access to that information, time to review
- T) Review rate structure for Urban Irrigation – for equity.
- U) Collection process (to Council now) be able to collect bad debts.
- V) What about evaporation of water how factored into sewer system/costs?

Group D

- A) Merchant fees – renegotiable these with providers to save money?
- B) Read meters quarterly and adjust billing accordingly
- C) Increase usage of irrigation program to affect costs
- D) Make irrigation program self sufficient
- E) Turn irrigation program over to SRP
- F) Alternative schedules 2 or 3 days per week to allow for training.
- G) Campaigning to increase bill pay electronically
- H) Track collections success rate with city to determine if out sourcing is better?
- I) Improve website – needs to be more customer friendly

Group E

- A) Switching from irrigation to potable water would result in too large of a cost increase. The current irrigation owner may not be able to afford.
- B) Subsidize desert landscaping

- C) Charge higher “penalties” rate to those non-conforming properties with weeds etc.
- D) Mature landscaping aesthetic benefits outweigh the cost.
- E) If irrigation is to be eliminated, give a reasonable warning example: 5, 10, or 20 years to affected properties.
- F) Upon re-conveyance of title, discontinue irrigation option.
- G) Explore possibilities of passing line repair cost to users.
- H) Who pays for stuffers? – Billing
- I) Eliminate some inserts keep “Connection” and “water bill” only. – Billing
- J) Salary to operating cost ratio should be examined.
- K) Identify “slow periods” close the periods to public use that time for training
- L) Provide incentive to pay bill on line (On line billing.)
- M) Train staff in shifts without cutting hours open to public.

Customer Service Hour Notes:

- A) Consider weekend hours
- B) Staggered shifts
- C) Lobby closes at 5pm – should be open until 5:30/6pm for those who work 8am to 5pm.
- D) Frustration/upset customers trying to meet deadlines of 5pm.
- E) What are the demographics – Same bill to residents & businesses?
- F) Are City of Glendale rates similar to other cities?
- G) What is 9am-10am lobby traffic information? What is the drop-off?
- H) Is there a cost savings for the training time for staff?
- I) Disconnections for foreclosures, renters, can you get advanced notice of foreclosures?
- J) What are the fees for disconnect/reconnect?
- K) Cost of kiosk? Who pays for kiosk? Can it be contracted out?
- L) Auto pay through credit cards?
- M) What amount of accounts that go to collections go unpaid?
- N) Reduction of hours to lobby not staff work time? Proposal is misleading
- O) Web input – glitches to name input field
- P) Account number is required for on-line interactions. Need option to look up by address instead of account number.
- Q) Charge a fee to credit card payments
- R) Is customer base going up or down?
- S) Electronic payments – glitches and time to fix applied to correct accounts fix miss appropriations?

Citizens Task Force Current Interest as of 08/20/12.

Topics	Blue Dots	Red Dots
Urban Irrigation		
Users should pay for services received.	12	1
Make Irrigation program self sufficient.	11	1
Keep protect, repair as needed irrigation with in historic district and pay fair share.	6	0
Review the rate structure of Urban Irrigation including maintenance, costs - not just water, forcing onto new system, contractual obligations, fee system owner transfer to SRP.	2	0
Explore possibility of passing line repair costs to users (like SRP).	0	0
Totals for: Urban Irrigation	31	2
Customer Service		
Use technology to enhance billing (IE - Disclosure options on bill).	24	0
Billing payments - encourage more online, estimates, pay, incentives, education etc. for effective use of staff.	4	0
Campaigning to move customers to pay bills electronically & improve customer friendliness of website.	3	0
Totals for: Customer Service	31	0
Customer Service Hours		
Analyze peak or slow times per day, and stagger training times accordingly.	13	0
Extend lobby hours by varying hours and accelerate adding kiosks.	15	0
Customer service hours not reduced but restructured (8am-6pm or 7am to 5pm).	8	0
Totals for: Customer Service Hours	36	0
Stand Alone		
Phase out over 5 , 10, or 20 years time frame - Urban Irrigation.	11	8
Water Services should operate as a true enterprise with rates reflecting true costs.	9	0
Renegotiate merchant fees to save money - Customer Service billing.	8	4
Move to an equalizer pay by reading meters quarterly.	7	3

City of Glendale

Citizen Task Force on Water and Sewer

Notes from Facilitated Session

09/17/12

Financial Planning/ Water Rates - Policy Issues

Group A

- A) Prevent future raiding of the fund by changing the City Charter.
- B) Smaller, incremental increase as opposed to large increases.
- C) Rate increases should go to the citizens or an Ad Hoc committee.
- D) Senior citizens rate.
- E) Educate more people on water use and conservation.

Group B

- A) Recommended policy for a “lock box” on enterprise funds – Use only for the services collected for.
- B) Compare our rates to others rates – why are ours the 2nd highest in valley?
- C) How should increases be handled – large sums, or small increments?
- D) Smaller increment increases easier to digest/defensible.
- E) Should we incorporate budget cuts to help fund?
- F) Layer in budget cuts along with rate increases.
- G) Proactive roll inhibited by deep budget cuts employee decrease?
- H) Find The balance between the two.
- I) Get rid of bonds.
- J) What are other capital investments going for? What do we get out of it?
- K) Be proactive in recasting bonds down.
- L) Do Bond Rating agencies ask the “What if” / “Emergency” questions?

Group C

- A) Proactive Re: Debt Svc. Coverage.
- B) Look at bonding within next few years.
- C) Restructure rates – reflect increased use with rates based on usage.
- D) Charge irrigation users to offset increased expenditures and decrease revenues.
- E) Maintain strong conservation program:
 - a. Lower rates for conservers.
 - b. Higher rates for more use.
- F) Paperless billing

- a. Base rate based on billing.
- G) Utilities citizens' commission.

Group E

- A) What needs to be done to protect Enterprise Fund from inappropriate expenditures?
- B) Establish a commission for rate increases for water and sewer with citizen input (corporation commission).
- C) Implement increases all at once (rather than smaller incremental increases).
- D) Fix rates for lower/fixed income residents.
- E) Adjust water usage rate structure (conserving vs. high water use).

Citizens Task Force Current Interest as of 09/17/12.

Topics	Blue Dots	Red Dots
Protection of Enterprise Fund		
What needs to be done to protect Enterprise Fund from inappropriate expenditures?	27	0
Develop policy re: How Enterprise Funds are used. - Citizen involvement/oversight.	9	0
Lock box - Enterprise Funds used only for the services they are collected for.	1	0
Totals for: Protection of Enterprise Fund	37	0
Water Rate Increases		
If rates need to increase, they should be incremental/smaller.	15	0
Rate increases should be in small increments.	0	0
Totals for: Water Rate Increases	15	0
Water Rate Committee		
Establish a commission for rate increases for water and sewer with citizen input (corporations).	12	1
Establish a utility (Water Services) citizen commission.	12	0
Rate increases should go to a citizens vote or an Ad Hoc Committee.	0	0
Totals for: Water Rate Committee	24	0
Community Education		
Adjust water rate structure to better reduce cost for those who conserve (could assist lower income residents).	9	0
Restructure - Rates based on use while maintaining conservation program.	7	0
Educate more people on water use and conservation.	4	2
Totals for: Community Education	20	2
Stand Alone		
Implement increases all at once rather than Incremental increases.	2	10
Rate increases should be in congress with budget cuts.	3	0
Be more proactive regarding funding (Example: Bonding) future CIP, and maintaining a healthy credit rating.	0	0

City of Glendale

Citizen Task Force on Water and Sewer

Notes from Facilitated Session

▪ Comments from TF Members/Post it Notes - 10/02/12

Group I.

I. PUBLIC INVOLVEMENT AND COMMUNITY OUTREACH - (12 blue)

A. Public and Community Participation (4 blue)

- a) The City should establish and maintain a public education and outreach program to increase the awareness and understanding of the value of Glendale's water and wastewater services to the community.
 - i. Provide an ongoing educational awareness program to inform the residents and businesses of Glendale's water and wastewater quality.
 - ii. Recognize and publicize City and staff accomplishments, i.e. when the City receives an award from an outside agency.
- b) The City should provide opportunities for citizen engagement regarding the sustainable management of water and the impacts to the well-being and quality of life for Glendale residents and businesses.

B. Conservation and Sustainable Living, Public Education and Outreach Programs

- a) The City should provide a comprehensive water conservation program that meets and/or exceeds state laws and regulations and that promotes efficient water use.
 - i. Promote and encourage water conservation through local and regional outreach activities. (1 blue)
 - ii. Provide educational opportunities that promote water conservation as a way of life.
 - iii. Provide public information about the city's water conservation program and water conservation efforts
- b) The City should provide programs to inform and educate residents, businesses, and neighborhood communities about environmental best practices related to water.
 - i. Promote and encourage storm water and water quality awareness through local and regional outreach activities.
 - ii. Provide educational programs and materials for adults to inform and educate residents, and businesses about best practices related to water, wastewater and storm water. (1 blue)
 - iii. Provide educational programs and materials for youth and educators. (1 blue)

▪ Comments from TF Members/ Post it Notes

- Conservation saves money for all.
- Water education.
- Include some sort of conservation tips in monthly water bill. (1 blue)
- B/ Promote Water Conservation.
- Some conservation methods do not save money.
- Community outreach efforts are well-planned and worthwhile. (1 blue)
- Increase support/funds to continue and expand water conservation education, incentives and rebates. (2 blue)
- Do away with monthly newsletter in water bill. (2 red)
- Public education street signs similar to safety signs. (1 red)
- Deposit on water bottles? (2 blue)
- Wording needs to be public friendly. (1 blue)
- Don't spend money on educating on wastewater quality. (2 red)

- Provide alternatives. (i.e. – What do I do with my grease?) for F.O.G. disposal.
- Educate public how to drain pool water into sewer line.
- How do other cities educate their citizens? What works?
- Organization Public Awareness: *Systems issues (oil/grease) *Water User (Jan- Mar Sewer) *Conservation. (1 blue)
- Programs should utilize volunteers where feasible (encourage citizens participation through the use of volunteers.) (1 blue)
- Public education youth.
- Like public education elementary, high school, junior college.
- Educate public not to drain pools in street. (1 blue)
- Education program partner with schools. (1 blue)
- These things are nice, but would they improve or worsen the fiscal problem? (1 blue)
- Public education re: water quality.
- Senior citizen rates. (5 red)
- Consolidate A & B.
- Has water conservation program been successful?
- “Do Not Go” into business of selling bottled water.
- Cautious of appearance of adding jobs.
- Well done capturing commission outcomes to the draft policy! (1 blue)
- Increase fines for illegal pool draining in street?
- System B bill problems and solutions.
- Customer email updates.
- Public education. Re: water quality and sustainability.
- Re-define 2 main points: A. Public Participation/Education re: Water quality B. Public Participation/Education Re: Water sustainability (Quality).
- Start education at early age (5+ yrs.) (1 blue)
- How do you measure success or failure stats? (1 blue)
- Advertising awareness in your monthly bills. (1 blue)
- System problems and solutions B b.) i. & ii. (See above Group I. sheet).
- Encourage Reverse osmosis for dirty pools. (2 red)
- Holiday grease warnings.
- Purify and sell Glendale bottled water.

Group II.

II. REGIONAL COLLABORATION AND WATER RESOURCES SUSTAINABILITY

A. Regional Collaboration

- a) The City should participate in regional water resources planning associations and stakeholder forums to ensure Glendale has a voice in the development of state and regional water resource policies.
- b) The City should maintain beneficial partnerships allowing us to explore opportunities to identify, acquire, and develop additional water resources. (1 blue)

B. Water Service Area (1 blue)

- a) The City should prepare an impact analysis prior to expanding the City's water and sewer service area. (4 blue)

C. Water Resources Sustainability

- a) The City should ensure it has a safe and reliable water supply to meet current and future demand to ensure water resources sustainability. (4 blue)
- b) Update and maintain the City's water supply (resources) and demand projections and plan.
- c) Seek Council's approval of the 100-year water lease agreement pursuant to the 2008 White Mountain Apache Tribe water settlement.
- d) The City should maximize the use of its existing water resources through water reclamation (reuse), aquifer storage, and other appropriate methods and practices when economically practical and feasible. (2 blue)

D. Drought Management

- a) The City should have a drought ordinance and a drought management plan to provide guidance and rules during major droughts that potentially result in water shortages. (5 blue)

■ Comments from TF Members/ Post it Notes

II A. – Regional Collaboration

- A.a) Continue proactive water management and planning. (1 blue)
- A.a) & A.b) are excellent!
- A.a) make political friends.
- A. Plan for the future.
- "Continue." A – Regional Collaboration; C-Water Resources; D-Drought Mgmt.; for each area add the word.

II B. – Water Service Area

- Like B.
- Look at IGA's for cost savings.
- B. a) ... To include fiscal analysis.
- Add: B. impact fiscal analysis. (1 blue)

II C. – Water Resources Sustainability

- C.c) add and any other leasing opportunities.
- C.c) Affirm 100 year lease agreement going forth.
- “Continue.” A – Regional Collaboration; C-Water Resources; D-Drought Mgmt.; for each area add the word.

II D. – Drought Management

- “Continue.” A – Regional Collaboration; C-Water Resources; D-Drought Mgmt.; for each area add the word.

Misc.

- We have so of the most expensive water in the valley. Are additional investments now necessary? (1 blue)
- Need to beef up concerns on unforeseen quality. (1 blue)
- Utilize private water for annexed areas until such time it makes fiscal sense to expand. (1 blue)
- Include 7.6D in plan.
- Route 303 annexing planned and the plan indicating Glendale will accept existing water and sewer facilities not provide the potential risks. A.b.
- Is salt water desalination an idea we should study???
- Evaluate all source options.
- Work on 100 year water lease now!
- Like it all!
- ☺
- Policy statements such as “should participate”: must be changed to “Must” or “Shall” participate
- Political cost? Lobbyist cost – This “voice” was last from our dot polling to policy.

Group III.

III. OPERATIONS AND INFRASTRUCTURE

A. Water and Sewer Infrastructure (11 blue)

- a) The City should establish and maintain modern systems and infrastructure that consistently provide high quality and efficient water and sewer services to the community.

B. Water Distribution

- a) The City should have an effective water distribution system that provides: 1) reliable water delivery with adequate pressures to meet domestic requirements and fire protection needs; 2) high water quality; 3) minimal water loss due to leakage and 4) accurate water meters.

C. Urban Irrigation (5 blue)

- a) The City should evaluate options for urban irrigation users to pay for services and water received.

D. Water Reclamation (2 blue)

- a) The City should continue to build, operate and control its own wastewater reclamation facility or facilities in Glendale to meet current and future demands and continue to dispose of any wastewater sludge at the 91st Avenue SROG Regional Wastewater Treatment Plant.

E. Wastewater Collections

- a) The City should establish and maintain an effective wastewater collections program providing reliable wastewater services to customers and minimizing sewer spill overflows. (1 red)
 - i. Evaluate the need to dedicate more resources to the wastewater maintenance program to increase the amount of pipe miles inspected and hydro-cleaned.

F. Storm Water Management

- a) The City should develop and maintain a storm water program to protect the quality of storm water and to comply with applicable environmental and water quality laws and regulations.
- b) Evaluate the need to dedicate more resources to the storm water maintenance program to increase the amount of inspections and cleaning.
- c) Assess whether to establish a storm water fee to pay for the implementation of the City's storm water management plan and compliance with the City's MS-4 storm water permit. (8 red)

G. Purchasing of Goods or Services

- a) The City should continue to explore opportunities to utilize another public entity's award of an Invitation to Bid or Request for Proposal for procuring goods or services when it is advantageous to the City.

III. OPERATIONS AND INFRASTRUCTURE*

- 7.16 F) Concern that long-term planning investing will be curtailed or reduced due to current economic shortfalls, and how does the city respond when our needs exceed our revenues/funding. (See also *Financial Planning, Billing and Customer Services*.) (8/0) (1 blue)
- 5.21 F) Develop a comprehensive plan to take advantage of opportunities to reduce cost, buy/sell, assure supply, develop/create capacity, self-sufficiency. (See also *Regional Collaboration and Water Sustainability*.) (8/0) (1 blue)

The Task Force was not asked to put blue or red dots on this page.

■ Comments from TF Members/ Post it Notes

III A.

- A.a) Through aggressive preventative maintenance.
- Focus on infrastructure rehabilitation.
- Encourage or incentives large developers to double pipe at construction so reclaimed water can be used for lawns and toilets. (1 blue)
- The city needs to consider financing mechanisms to maintain and or replace infrastructure. (1 blue/ 4 red)
- City "SHOULD" change to "MUST".
- Adequate staffing – employee retention bout should be.
- To maintain and replace for modern system to be paid by revenues.

III B.

- Public notification of contamination of drinking water. (2 blue)
- High water = as required by regulations.

III C.

- Look at increasing Irrigation customers to even out costs.
- Agree w/ C.a)
- Urban Irrigation if fees are increased should be a gradual phase in.
- This feature needs to be phased out – It provides service to too few residents.
- Keep Urban Irrigation in historic districts: Thunderbird, Sand Estates, Catlin court, North Field, Floral croft. (3 blue/ 1 red)

III D.

- D a.) Wording seems overly specific (i.e. – 91st Ave. SROG).

III F.

- F.c) May be a good idea, but this seems like new information???
- F.c) Storm water fee?? (6 red)
- F.c) Do other cities have a storm water fee? If so, how much??
- F.c) Urban Irrigation make sure total costs are spread throughout users.
- F.c) Establish water fee for storm water?? Dots?? (5red)
- F.c) Which dot polling items suggest to establish a storm water fee??
- Educate public not to drain pools in street.
- Keep a.)& b.) - Scrap c.)

Misc. –

- 7.16 D – Emergency plans needed (floods, pollutants, etc.) (1 blue)
- Continue: A. Water& Sewer Infrastructure B. Water Dist. C. Water Reclamation E. Wastewater. (1 blue)
- Increase investments in water and sewer to permit more services to other cities which will generate more revenue to COG.
- 5.21 – Maximize adequate staffing levels to assure best customer service.
- 5.21 M Dis agree with 2/4 rating should be higher.
- Be alert for price fixing on chemicals.
- 5.21 F - Base water 2 sewer system plans on the updated general plan.
- 8.20 D Urban Irrigation phases in cost 10-20 years.
- 7.16 D- City should prepare to handle unforeseen quality issues.
- I don't see 7.16 A) adequately addressed.
- New procedures maybe same as current procedures. / C. Too simple not clear.
- Self-supporting Irrigation. (3 blue)

Group IV.

IV. EMPLOYEE DEVELOPMENT, RETENTION, SAFETY & PRODUCTIVITY (6 blue)

A. Employee Development and Retention (10 blue)

- a) The City should provide employee development opportunities that reward performance, encourage staff retention, and ultimately prepares the Water Services work force to meet any future business challenges.
 - ii. Establish and implement a knowledge retention and succession planning program.
 - iii. Continue to involve and engage employees to enhance job satisfaction and teamwork.
 - iv. Evaluate staffing levels and ensure that adequate funding is available to maintain necessary staffing levels through the annual budgeting process.
 - v. Ensure the city is competitive in attracting, developing, and retaining high performing employees.

B. Productivity through Optimization

- a) The City should continuously strive to optimize the performance and efficiency of its water and wastewater system facilities and operations by utilizing sound principles and best practices.
 - i. Continue to utilize mutual intergovernmental purchasing agreements when advantageous to the organization.
 - ii. Continue to explore/consider opportunities to partner with other cities and other agencies to improve the cost recovery and efficiency/use of current water and wastewater infrastructure. (2 blue)
 - iii. Continue to benchmark its operations and practices with comparable cities to ensure top performance.

C. Productivity through Information Technology (3 blue)

- a) The City should effectively utilize and integrate information technology that supports the business needs and optimizes the productivity of Glendale's water and wastewater enterprise.
 - i. Conduct a study/evaluation on smart water meters for commercial and residential applications to determine cost, benefit and feasibility.

D. Safety

- a) The City should ensure the safety and health of its employees through effective management, training, and establishment of best practices that meets or exceeds water and wastewater industry standards.

■ Comments from TF Members/ Post it Notes

IV A.

- A. Allow utilities to fill all vacancies.
- a.ii. Cross training to be more cost effective. (1 blue)
- Non cash incentives for employees.
- Make /use compensation not General Funds based on Enterprise Funds from water and sewer.
- Attract, develop & retain employees. (2 blue)
- Successive training with contract.
- Employees receiving extra training to advance sign a contract they will stay? # years so City does not train and loose. (2 blue)
- Ensure funding for competitive wage and benefits.
- Evaluate staffing.
- Equitable pay and benefits for employees and staff. (1 blue)

- Keep investing in employees – Training, compensation, and incentives. (2 blue)

IV B.

- a. Look for ways to increase Intergovernmental Purchase Agreements. (1 blue)
- 6.25 F – Employee productivity or outsource.
- 6.25 F Review outsources opportunities. (2 blue/ 1 red)
- a. The City utilizing sound projects and best current practices?
- Survey other cities to generate per employee production data and focus on achieving best practices.

IV C.

- Training – C. Evaluate smart meters. (1 blue)
- Budget each year for high tech improvements. (3 blue)
- Maximize use of technology.
- a. Explore additional IT resources to increase efficiency.
- Over all policy – This policy most closely matches dot issue. – Good work!

IV D.

- a. Meet Federal, State, etc. safety and health standards for employees.
- Safety redundant.
- Hire practice to include intense backgrounds public safety. (1 blue)
- Where did safety item come from not on dot page?

Misc.

- Involve employee's staff opinions.
- Water/Sewer funds cannot be used without approval of department.
- Competitive water/sewer rates.
- 7.16 G – Does this fit here? In IV? Probably better in Operations – comes from purple sheet.
- Maintain adequate official certification of employees. (1 blue)
- Glendale workers need alternative forms of encouragement and perks as well as money. (1 blue/ 1 red)
- STOP CITY MGT. from borrowing funds, for keeping sustainability of Utility Department.

Allow Utilities to fill all vacant positions. (1 blue)

Group V.

V. FINANCIAL PLANNING, BILLING, AND CUSTOMER SERVICE

A. Financial Planning

- a) The City should establish and administer a long-range financial plan that guides decisions regarding water and wastewater rates. The City's water and wastewater financial plan should be based on the following principles.
 - i. Rates should be based on revenue requirements to cover projected operational and maintenance costs, debt service obligations, capital improvement program funding needs; and maintain adequate reserves for emergencies, debt-service ratios and other financial management requirements and Competitive - ****Comparable - Cost-efficient - Bench marking. (2 blue/ 1 red)**
 - ii. Rates should be fair and (equitable). **(1 blue/ 2 red)**
 - iii. Rates should be designed to conform to federal and state requirements and guidelines.
 - iv. The financial plan should be reviewed and approved by Council on an annual basis as part of the budget process.

B. Billing

- a) The City should effectively manage its customer billing system and meet community needs and expectations by providing accurate, consistent and timely billing services.
 - i. Provide the water and sewer rate structure and an explanation of the rates on the City's website.
 - ii. The City should resolve delinquent accounts and unpaid bills through the implementation of best practices. **(2 blue)**

C. Customer Service

The City should meet the needs and expectations of the community by providing courteous, timely, and reliable customer service.

**** Suggestion in green was added from the Group review.**

■ Comments from TF Members/ Post it Notes

■ Commission –

- Increase commission authority.
- Citizen water rate commission.
- Ongoing commission on committee. **(3 blue)**
- Audit transparency.
- Public Utility Commission. **(3 blue)**
- Public Utility Commission.
- Establish a Committee/Commission to monitor water affairs.
- Include statements about creation and authority of independent H2O Commission. **(1 blue)**
- Permanent Commission board/committee. **(4 blue)**
- Commission water/sewer. **(1 blue)**
- Need a Water Commission.
- Commission – Rates – Outreach – Long-range planning. **(1 blue)**

■ Enterprise fund –

- Protection of Enterprise Funds. **(1 blue)**
- Lock up Enterprise Fund/ or have top limit. **(1 blue)**

- Stop taking the \$ - Replace what they have taken \$40. Million. (8 blue)
- More meat to Enterprise Fund restrictions. Change Charter.
- Keep Enterprise money in fund – Do what has to be done.
- Add stricter guidelines on EF transfers.
- Keep Enterprise Funds for ONLY Water. (4 blue)
- Leave Enterprise Funds to Water Services Dept. (9 blue)
- Operate as a stand-alone utility company.
- Change Charter protects the Enterprise Fund water only. (2 blue)
- 27/0 Restrict Enterprise Funds reflect Task Force Comments. (4 blue)
- Protect Enterprise Fund by Charter amendment. (5 blue)
- Include policy statements about protection of H2O Enterprise Fund. (1 blue)
- Need to establish a separate replacement /repair fund. (1 blue)
- How can the Enterprise Fund be protected, to use in the debt generated? (1 blue)
- How does Water Department feel about removing money from Enterprise Fund account?
- Protect Enterprise Fund at all costs! (2 blue)
- Enterprise Fund water ONLY! (1 blue)
- Create a “Sinking Fund” that cannot be captured by City. – Untouched and reserved for Water/Sewer. (1 blue)
- Protect Enterprise Fund. Use of the Enterprise Fund should be in Charter.
- Enterprise Fund. No Hockey!
- Yes. 6.25c protect “Utility” Enterprise Funds thru City Charter. (2 blue)
- **Rates/Billing –**
 - Billing incentives for water conservation.
 - Lower Visa merchant fees.
 - Cut off Visa Payments. (2 red)
 - Look at impact of inserts in water bills. (Financial impact.) (3 blue)
 - B) Billing pass on costs to process cc payments. (1 blue)
 - B) Billing expand Jan-Mar water usage explanation as it applies to adjusted sewer rates. (1 blue)
 - Provide discount to customers that use on line billing vs. paper. (1 red)
 - Include on the water billing a monthly notice re: conservation how-to, why of costs, etc. (1 blue)
 - Provide billing invoice electronically.
 - Read meters every other month than adjust for next quarter. (4 red)
 - City should review water rates in a 2-3 year time frame. (2 blue)
 - Competitive rates with nearby cities. (1 red)
- **Budgeting –**
 - Insure adequate funding for utilities.
 - Approve a long range plan for multiple years.

- Continue – A) Financial planning.
- Include capital improvement and infrastructure in water budget.
- Weight: Revenue – Producing departments differently than expense incurring departments for budget. (1 blue)
- Misc. –
 - Consider selling excess water reclamation credits to other cities. (3 blue)
 - Base water sewer system plan on updated General Plan. (4 blue)
 - Keep Craig.



CITY COUNCIL REPORT

Meeting Date: **12/18/2012**
Meeting Type: **Workshop**
Title: **PROPOSED BUDGET REDUCTIONS AND REORGANIZATION STRUCTURE**
Staff Contact: **Sherry M. Schurhammer, Executive Director, Financial Services Department**

Purpose and Policy Guidance

Staff is seeking guidance from Council regarding the implementation of the proposed budget reductions identified in the materials included with this Council Report. These reductions will be implemented during the last six months of Fiscal Year (FY) 2012-13, with the full year ongoing impact of those reductions realized for FY 2013-14. These reductions are required to address the structural deficit that is explained in the Background Summary.

Background Summary

The city is currently operating under the FY 2012-13 balanced budget as approved by Council in June 2012. The current budget includes the sales and use tax rate increased to 2.9% across most categories, and a 2.2% tax rate for single item retail and use tax purchases exceeding \$5,000. The sales tax rate increase went into effect August 1, 2012, and will expire in August 2017. The annual revenue over a full fiscal year to be generated by this increase is approximately \$25 million.

An updated 20-year financial analysis modeling the following two scenarios was presented to Council at the November 20, 2012 workshop and the November 27, 2012 voting meeting as part of the presentation regarding the revised arena management agreements.

- The National Hockey League (NHL) team continues to play at the Glendale Arena
- The NHL team no longer plays at the Glendale Arena

Both scenarios assumed a modest 3.5% annual increase in revenue as well as the expiration of the temporary sales tax rate increase in August 2017 (FY 2018). Both scenarios indicated reductions that would be required prior to the expiration of the rate increase to account for:

- The loss of the additional revenue from the temporary rate increase
- The expected structural operating budget deficit that is projected due to the expected imbalance between projected revenues and expenditures.



CITY COUNCIL REPORT

In terms of the reductions required to address the structural deficit, the scenario with the team indicated:

- Operating budget reductions totaling \$20M would be needed by FY 2017, with \$6M required in Phase I (FY 2013 implementation with full FY savings realized in FY 2014); the remaining reductions would occur during Phase II for FY 2015 and FY 2016.

The scenario without the team indicated:

- Operating budget reductions totaling \$12M would be needed by FY 2017, with \$4M required in Phase I (FY 2013 implementation with full FY savings realized in FY 2014); the remaining reductions would occur during Phase II for FY 2015 and FY 2016.

At the November 27, 2012 voting meeting, Council approved the revised arena management agreements that will retain the NHL team at the Glendale Arena. Therefore, \$6M in operating budget reductions are required in Phase I (FY 2013 implementation with full FY savings realized in FY 2014) with the remaining reductions occurring during Phase II for FY 2015 and FY 2016.

The proposed Phase I reductions included with this Council Report exclude Police and Fire. Those two departments will present a proposed reallocation of their operating budget dollars to address operating budget overages they are experiencing and are expected to be of an ongoing nature. The Police and Fire budget reallocation includes the elimination of FTEs and that presentation will occur separately from this item on December 18, 2012.

Previous Related Council Action

On September 11, 2012, Council held a special Workshop meeting to discuss the FY 2012-13 budget. Acting City Manager, Horatio Skeete, presented a long term view with three possible five-year funding scenarios. These scenarios all indicate that some level of reduction will have to be made to the base operating budget in the coming years in order for the city to maintain a balanced budget. Mr. Skeete also informed Council that additional Workshop meetings would be scheduled to discuss the budget reductions that will be needed.

On September 25, 2012, Council held a special Workshop meeting to discuss proposed reductions to the FY 2012-13 budget.

On October 2 and October 16, 2012, Council held Workshop meetings to continue discussions about the proposed reductions presented at the September 25, 2012 special Workshop.



CITY COUNCIL REPORT

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.

Additional workshops will be held as needed to receive Council input regarding proposed changes to the FY 2012-13 budget.

Budget and Financial Impacts

The materials included with this Council Report identifies a gross total of \$6M in operating budget reductions that will be implemented during the last six months of Fiscal Year (FY) 2013, with the full year ongoing impact of those reductions realized for FY 2014. These reductions include the elimination of 64 FTEs excluding Police and Fire. More information about these reductions can be found in the materials included with this Council Report.

Attachments

Budget Document



**FY 2013 Proposed
Mid-Year General Fund Reductions
(Excludes Police & Fire)**



Proposed General Fund Reductions

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General Fund (F1000) - A6000 & A7000 Series

FY 2014 Reductions

Excludes A7500 Series Accounts

(\$'s in Thousands) Group Name	FY 2014 Full Year Reduction Amount (Effective Mid-Year FY 2013)				a			b	c	d = b - c	(d - a) / a	- c / b
	A6000	A7000	Rev Loss	Total	Budgeted FTE's			FTE	Projected FY 2014 FTE's	Projected FY09-FY14 % Change	Projected FY13-FY14 % Change	
					FY 2009	FY 2013	FY 2013 Amd	Reduction FY13/14				
Appointed Officials / Other												
Mayor's Office	\$0	\$0	\$0	\$0	4.0	4.0	3.0	0.0	3.0	-25%	0%	
Council Office	\$50	\$3	\$0	\$53	13.0	13.0	13.0	1.0	12.0	-8%	-8%	
City Manager	\$8	\$39	\$0	\$47	15.0	5.0	5.0	0.0	5.0	-67%	0%	
City Attorney	\$107	\$0	\$0	\$107	28.0	25.0	25.0	1.0	24.0	-14%	-4%	
City Clerk	\$0	\$17	\$0	\$17	6.0	6.0	6.0	0.0	6.0	0%	0%	
Intergovt. Programs	\$0	\$132	\$0	\$132	4.0	4.0	4.0	0.0	4.0	0%	0%	
Internal Audit	\$0	\$0	\$0	\$0	4.5	2.5	2.5	0.0	2.5	-44%	0%	
Total	\$165	\$190	\$0	\$355	74.5	59.5	58.5	2.0	56.5	-24%	-3%	
Community Services												
Community & Econ Dev	\$161	\$273	\$0	\$434	76.0	38.0	37.0	2.0	35.0	-54%	-5%	
Parks, Rec & Library	\$1,629	\$130	(\$337)	\$1,422	181.0	111.3	110.3	22.4	87.9	-51%	-20%	
Communications	\$343	\$243	\$0	\$586	28.5	25.5	24.5	4.5	20.0	-30%	-18%	
N'Hood & Human Svcs	\$279	\$265	\$0	\$544	32.0	21.0	20.0	2.0	18.0	-44%	-10%	
Public Works	\$1,100	(\$86)	\$0	\$1,014	105.8	53.8	53.8	22.0	31.8	-70%	-41%	
Total	\$3,512	\$825	(\$337)	\$4,001	423.3	249.5	245.5	52.9	192.6	-54%	-22%	
Internal Services												
Financial Services	\$221	\$203	\$0	\$424	50.5	32.0	32.0	3.0	29.0	-43%	-9%	
HR & Risk Mgt	\$323	\$23	\$0	\$346	30.0	17.8	17.8	3.0	14.8	-51%	-17%	
Tech. & Innovation	\$170	\$15	\$0	\$185	29.0	28.0	28.0	2.0	26.0	-10%	-7%	
Non-Departmental	\$0	\$134	\$0	\$134				0.0	0.0			
Total	\$715	\$375	\$0	\$1,089	109.5	77.8	77.8	8.0	69.8	-36%	-10%	
Public Safety												
Police Services	\$0	\$0	\$0	\$0	510.0	452.0	452.0	0.0	452.0	-11%	0%	
Fire Services	\$0	\$0	\$0	\$0	236.5	220.0	220.0	0.0	220.0	-7%	0%	
City Court	\$98	\$80	\$0	\$178	50.0	37.8	37.5	1.0	36.5	-27%	-3%	
Total	\$98	\$80	\$0	\$178	796.5	709.8	709.5	1.0	708.5	-11%	0%	
Grand Total	\$4,490	\$1,471	(\$337)	\$5,623	1403.8	1096.5	1091.3	63.9	1027.4	-27%	-6%	

Appointed Officials / Other

FY 2014 Reductions

Excludes A7500 Series Accounts

(\$'s in Thousands) Department Name	FY 2014 Full Year Reduction Amount (Effective Mid-Year FY 2013)				a b c d = b - c (d - a) / a - c / b Budgeted FTE's			FTE Reduction	Projected FY 2014 FTE's	Projected FY09-FY14 % Change	Projected FY13-FY14 % Change
	A6000	A7000	Rev Loss	Total	FY 2009	FY 2013	FY 2013 Amd	FY13/14			
	Mayor's Office	\$0	\$0	\$0	\$0	4.0	4.0	3.0	0.0	3.0	-25%
Council Office	\$50	\$3	\$0	\$53	13.0	13.0	13.0	1.0	12.0	-8%	-8%
City Manager	\$8	\$39	\$0	\$47	15.0	5.0	5.0	0.0	5.0	-67%	0%
City Attorney	\$107	\$0	\$0	\$107	28.0	25.0	25.0	1.0	24.0	-14%	-4%
City Clerk	\$0	\$17	\$0	\$17	6.0	6.0	6.0	0.0	6.0	0%	0%
Intergovt. Programs	\$0	\$132	\$0	\$132	4.0	4.0	4.0	0.0	4.0	0%	0%
Internal Audit	\$0	\$0	\$0	\$0	4.5	2.5	2.5	0.0	2.5	-44%	0%
Total	\$165	\$190	\$0	\$355	74.5	59.5	58.5	2.0	56.5	-24%	-3%



STAFF REPORT

To: **Horatio Skeete, Acting City Manager**
From: **Jenna Goad, Interim Assistant to the Mayor**
Item Title: **PROPOSED BUDGET REDUCTIONS AND REORGANIZATION STRUCTURES**
Requested Council Meeting Date: **12/18/2012**
Meeting Type: **Workshop**

ANALYSIS

The purpose of this report is to address the Mayor's Office General Fund (GF) operating budget reductions. Due to cuts taken earlier this year as part of the FY 13 Amended Budget, no additional cuts are proposed at this time. These reductions were on-going and will continue into the upcoming fiscal year.

- Positions in the Mayor's Office were reduced from 4 positions (adopted budget) to 3 positions (amended budget) in June 2012 as part of the cut related to the two-tiered sales tax reduction exercise. This resulted in a savings of \$74,744 and a cut of 21% of the entire budget for the Mayor's Office. This was a permanent reduction and the cost savings will continue in the upcoming fiscal year.
- Excluding the position associated with the Mayor, this represented a 33% reduction in staffing in the Mayor's office (from 3 staff positions to 2).
- The operating budget (non-salary/A7000 series) for the Mayor's Office has been reduced from \$29,472 in FY 10 to \$17,173 in FY 13. This is a reduction of more than 41%.
- Therefore, no additional reductions are proposed at this time.



STAFF REPORT

To: **Horatio Skeete, Acting City Manager**
From: **Kristen Krey, Council Services Administrator**
Item Title: **PROPOSED BUDGET REDUCTIONS AND REORGANIZATION STRUCTURES**
Requested Council Meeting Date: **12/18/2012**
Meeting Type: **Workshop**

ANALYSIS

The purpose of this report is to address the Council office service impacts of the General Fund (GF) operating budget reductions. These reductions will be implemented during the last six months of Fiscal Year (FY) 2013, with the full year ongoing impact of those reductions realized for FY 2014.

Reduction of 1 Executive Assistant FTE

- Currently there are two Executive Administrative Assistants in the Council Office. The proposed reduction will create an elimination of one of these positions.
- One Executive Assistant is primarily assigned to managing Boards and Commissions, which consists of the managing the process for the Government Services Committee which includes agenda, minutes, application processing, legal posting and legal notification requirements and working with all staff liaisons and over 120 citizen volunteers, organizing and scheduling training processes. This is a specialized assignment that requires training. Due to the nature of this work, this position has become mission critical to the council office. This position is also responsible for the budget for six council districts and the council office and manages public records requests.
- One Executive Assistant manages the legal postings process, invitations to community and special events, calendaring meetings, providing travel arrangements, providing meeting scheduling and arrangements for the councilmembers and council assistants, providing customer service to the councilmembers, departments and citizens filing, answering phones and referring citizens to the council assistants or related departments. This is the position identified for elimination.
- The impact to the council office will be that the council assistants will become responsible for additional duties, specifically calendaring meetings, providing travel arrangements, providing meeting scheduling and arrangements for the



STAFF REPORT

councilmembers and council assistants and providing customer service to the councilmembers, departments and citizens and also filing, answering phones and referring citizens to related departments. The remaining executive assistant will be responsible for the invitations and legal posting process.

Reduction of 25% to Council Office Operating Budget

- The current operating budget of the city council office is \$15,683. This budget supports an office of seven staff and specific city council supplies. This budget pays for all boards and commission related activities. Promotion, publicity, training and goods such as plaques and pins. It also includes office supplies such as the paper and copier, general office supplies such as snacks, water and soda for the council workshops. It covers general administrative items for the office such as cell phone for administrator, fire liability, workers comp, telephone charges, office equipment, pc replacement, mail and postage costs, professional development membership and conference attendance.
- The council office budget has been cut 75% since year 2008.
- This additional reduction will decrease the budget to \$12,683. This will result in a decrease in professional development, line supplies, office supplies and promotion and publicity. Please note refreshments will no longer be provided by the council office for council workshops.

COUNCIL OFFICE DEPARTMENT REDUCTIONS

	FTE's	A6000	A7000	TOTAL
Totals	1	\$50,000	\$3,000	\$53,000

Fund/Division #: 1000-10110 Division Name: Council Office REDUCTIONS: # of FTEs: 1 A6000: \$50,000 A7000: \$0 TOTAL: \$50,000	CURRENT LEVEL OF SERVICE: 2 Executive Assistants - 1 is assigned to Boards and Commissions and budget for 6 districts and the council office. 1 is assigned to calendaring, travel arrangements, meetings scheduling, answering phones and backing up council assistants. REDUCTION DESCRIPTION: 1 Executive Assistant RESULTING LEVEL OF SERVICE: This reduction would result in the Council Assistants absorbing calendaring, scheduling and managing meetings and travel for councilmembers, also providing daily coverage of office telephones and walk in customers. REQUIRED?: Not Required
Fund/Division #: 1000-10110 Division Name: Council Office REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$3,000 TOTAL: \$3,000	CURRENT LEVEL OF SERVICE: Council office operating budget is currently \$15,683. This amount includes professional development, professional and contractual, equipment less than \$5,000, line supplies, office supplies and promotion and publicity. REDUCTION DESCRIPTION: Reduction in budget of council office of 25%, a total of \$3,000, reducing the operating budget to \$12,683. RESULTING LEVEL OF SERVICE: Decrease in professional development, professional and contractual and promotion and publicity. REQUIRED?: Not Required



STAFF REPORT

To: **Horatio Skeete, Acting City Manager**
From: **Amy Handlong, Management Assistant to the City Manager**
Item Title: **PROPOSED BUDGET REDUCTIONS AND REORGANIZATION STRUCTURES**
Requested Council Meeting Date: **12/18/2012**
Meeting Type: **Workshop**

ANALYSIS

The purpose of this report is to address the City Manager's Office service impacts of the General Fund (GF) operating budget reductions. If approved, these reductions will be implemented during the last six months of Fiscal Year (FY) 2013, with the full year ongoing impact of those reductions realized for FY 2014.

The City Manager's office proposal represents a 49% reduction in the non-salaried portion of the operating budget.

- **Eliminate car allowance for the City Manager appointed position (\$7,800):** This would result in the city being unable to offer this as an incentive when attracting candidates for the City Manager position. Previous council action eliminated car allowances at the executive level but the allowance remained in place for appointed officials.
- **Eliminate Professional Development line item (\$14,000):** This action would reduce or eliminate continued education and professional memberships for the City Manager, Assistant City Manager, and City Manager's office administrative staff, reducing their ability to acquire new knowledge and skills related to their respective positions. This reduction may also affect the ability to maintain current credentialing or professional designations.
- **Eliminate Community Activities line item (\$25,000):** This action would eliminate citywide sponsorships. The city would be unable to support events sponsored by its community partners such as Midwestern, GPEC, and WESTMARC. Departments will still be encouraged to participate on an individual level, if their budget will allow. This would also eliminate the city's financial support of the internal United Way campaign, local newspaper advertisements, and the City Council retreat.

CITY MANAGER DEPARTMENT REDUCTIONS

	FTE's	A6000	A7000	TOTAL
Totals	0	\$7,800	\$39,000	\$46,800

Fund/Division #: 1000-10310 Division Name: City Manager REDUCTIONS: # of FTEs: 0 A6000: \$7,800 A7000: \$0 TOTAL: \$7,800	CURRENT LEVEL OF SERVICE: Car Allowance for City Manager REDUCTION DESCRIPTION: Eliminate car allowance for the City Manager appointed position. RESULTING LEVEL OF SERVICE: This would result in the city being unable to offer this as an incentive when attracting candidates for the City Manager position. REQUIRED?: Not Required
Fund/Division #: 1000-10310 Division Name: City Manager REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$14,000 TOTAL: \$14,000	CURRENT LEVEL OF SERVICE: Professional Development REDUCTION DESCRIPTION: Eliminate line item RESULTING LEVEL OF SERVICE: This action would reduce the amount of continued education and organizational memberships for Manager's office staff. REQUIRED?: Not Required
Fund/Division #: 1000-10310 Division Name: City Manager REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$25,000 TOTAL: \$25,000	CURRENT LEVEL OF SERVICE: Community Activities REDUCTION DESCRIPTION: Eliminate line item RESULTING LEVEL OF SERVICE: The city would be unable to support its community partner's sponsored events such as Midwestern, GPEC, and Westmarc. This would also eliminate our support of the internal United Way campaign, local newspaper advertisements, and the City Council retreat. REQUIRED?: Not Required

CITY ATTORNEY DEPARTMENT REDUCTIONS

	FTE's	A6000	A7000	TOTAL
Totals	1	\$107,000	\$0	\$107,000

<p>Fund/Division #: 1000-10610 Division Name: City Attorney</p> <p>REDUCTIONS: # of FTEs: 1 A6000: \$107,000 A7000: \$0 TOTAL: \$107,000</p>	<p>CURRENT LEVEL OF SERVICE: The City Attorney's Office maintains a goal of providing timely, high-quality legal services to the City. Currently, the Office is operating with staffing below the level that was authorized and below the level that allows the Office to fulfill consistently its established goal. Responsibilities of the City Attorney's Office are set by law and by decisions made by Council and executive management. As a result, this Office's budget and its ability to meet its legal responsibilities and respond appropriately is dictated largely by the future decisions of those requiring its service.</p> <p>REDUCTION DESCRIPTION: Reduction of one Assistant City Attorney (salary & benefits).</p> <p>RESULTING LEVEL OF SERVICE: Legal services will be reduced.</p> <p>REQUIRED?:</p>
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STAFF REPORT

To: **Horatio Skeete, Acting City Manager**
From: **Pam Hanna, City Clerk**
Item Title: **PROPOSED BUDGET REDUCTIONS AND REORGANIZATION STRUCTURES**
Requested Council Meeting Date: **12/18/2012**
Meeting Type: **Workshop**

ANALYSIS

The purpose of this report is to address the City Clerk Department's service impacts of the General Fund (GF) operating budget reductions. These reductions will be implemented during the last six months of Fiscal Year (FY) 2013, with the full year ongoing impact of those reductions realized for FY 2014.

- The elimination of contracted transcription services will substantially increase the staff time spent on minutes, if the minutes are prepared with the current detailed council discussion. This staff time is currently spent on other statutorily required duties. The City Charter requires that the City Clerk keep the "journal" of the City Council's proceedings. State Statutes outline minimum requirements; however, the Statutes do not address journaling of council's discussion. Therefore, we propose a change to a summarized version of the minutes. The service impact of less detailed format is balanced with the availability of video of the meetings on the city's internet page. The service impact to staff time spent on minutes regardless of minute style will be offset by a lower production in other areas, with slower response times both internally and externally to records requests and contract management. Reduction: \$4,097
- The elimination of one Blackberry cell phone will reduce the accessibility to both staff and information. The service impact is a reduced capacity to communicate and inform our internal and external customers. The service impact of the deletion of professional development will create fewer opportunities to acquire important information; reductions include election training and the City Clerk Academy. Reduction: \$1,665



STAFF REPORT

- The elimination of two scanning software licenses from the Building Safety and City Clerk Departments, as well as elimination of the maintenance agreement on the Record Center copier will reduce staff's ability to perform these functions efficiently. The scanning software service impact is a reduced amount of digital Building Safety documents, as well as creating time where other staff will be unable to use scanning software for procedures because of lack of available licenses, therefore, increasing staff time for scanning, records retrieval times and increased paper storage. This does not address the lost value of the original licenses purchase price. The Records Center copier maintenance agreement service impact will affect both internal and external customers when requiring a copy of a record stored in the Center. This service will be interrupted or may completely remove access to a copier in the Records Division. The elimination of city-wide record Purge Day will increase the individual department's responsibility to maintain records in compliance with the State Record Retention Schedules. The service impact to the departments will be the loss of an organized, efficient process to purge records, therefore, record storage needs will increase, or additional staff time will be required to complete the shredding and destruction of documents without the added benefit of a shred truck's quick shredding process. Reduction: \$8,818
- The elimination of publishing resolutions and various notices in the official newspaper will reduce the variety of city documents published. The service impact is a reduction of official documents posted in the local paper, although this reduction does not affect legal compliance, since it is not required these be published. These are easily available to the public through the public records request process. Increased requests for public records will directly impact staff time further. Reduction: \$2,175

CITY CLERK DEPARTMENT REDUCTIONS

	FTE's	A6000	A7000	TOTAL
Totals	0	\$0	\$16,755	\$16,755

<p>Fund/Division #: 1000-10210 Division Name: City Clerk</p> <p>REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$4,097 TOTAL: \$4,097</p>	<p>CURRENT LEVEL OF SERVICE: Council Meetings - Minutes, draft shell, review, summary minutes, Council agenda packet linking and posting, resolutions and ordinances numbered and read, meeting preparation and set up including furnish refreshments, webpage management, minutes web posting See Also: Records Management, Elections, Public Records Requests, Deeds and Easements, Recording, Public Notices and Publications, Customer Service, Fiscal Management, Records Management, Workshop Agenda Creation and Management</p> <p>REDUCTION DESCRIPTION: 1) Discontinue use of transcribing company 2) discontinue maintenance agreement on two recorders and transcription equipment.</p> <p>RESULTING LEVEL OF SERVICE: Statutorily required, unable to cut - minimum operating costs; cannot reduce staff time and comply with laws. 1) The City Council minutes would have to be less narrative and more summarized, The modification in content would need to be reviewed and approved by City Council. 2) Able to discontinue because of the new digital recording equipment.</p> <p>REQUIRED?: Yes, by State/Fed Law</p>
<p>Fund/Division #: 1000-10210 Division Name: City Clerk</p> <p>REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$1,665 TOTAL: \$1,665</p>	<p>CURRENT LEVEL OF SERVICE: Customer Service - accept legal service, receive calls and correspondence from various internal and external customers, respond to same, build relationships with internal and external customers, vendors, other cities/towns, association, assist public for public meetings, Arizona Memories, web transparency projects, Documents on File See Also: Records Management, Elections, Recording, Fiscal Management, Contract Management, Public Notices and Publications, Deeds and Easements, Council Meetings, Public Records Requests</p> <p>REDUCTION DESCRIPTION: 1) Reduce one blackberry cell phone 2) Eliminate professional development</p> <p>RESULTING LEVEL OF SERVICE: 1) Blackberry used by Deputy Clerk to stay in contact with office has been relied on; result reduced communication capability. Use of personal phone substituted for blackberry 2) All training will be eliminated; only memberships required for certifications will be retained. Elimination of training and reduction of communication will create fewer opportunities to acquire important information. Cannot reduce staff time and support statutorily required functions.</p> <p>REQUIRED?:</p>
<p>Fund/Division #: 1000-10220 Division Name: Records Management</p> <p>REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$8,818 TOTAL: \$8,818</p>	<p>CURRENT LEVEL OF SERVICE: Records Management - microfilm for organization, index, scan, multiple departmental software management (City Court - comprehensive ERM, Building Safety, Field Operations, Police, Finance - ERM support), records retention, destruction, storage management, research, assist other departments, train staff across the organization, maintain codebook and charter, updating as necessary, legislative review, implement new legislation, intranet webpage creation and management, database management, Annual Purge Day multi organizational participation and multi departmental coordination See Also: Elections, Public Records Request, Contract Management, Public Notices and Publications, Customer Service, Council Meetings, Deeds and Easements, Recording</p>

CITY CLERK DEPARTMENT REDUCTIONS

	<p>REDUCTION DESCRIPTION: 1) Reduce scanning software licenses by two 2) Stop maintenance agreement on copy machine. For remainder of FY13 it would be pro-rated but FY14 would be full reduction 3) Cancel Citywide Purge day.</p> <p>RESULTING LEVEL OF SERVICE: Statutorily required, operating costs and service reduction will not prevent compliance with laws; 1) Two scanning and verification software licenses would be \$6,750, building safety uses these licenses. They could view documents but any scanning would have to be scheduled on City Clerk licenses. 2) Older copier - terminate existing maintenance agreement, if equipment fails - share 4th floor City Clerk copier. 3) Purging organization wide stopped - reliance in future on individual departments to schedule purging. Training by Clerk department continues. If departments do not purge annually, City has a higher risk of violations of State law - cannot reduce staff time and comply with laws.</p> <p>REQUIRED?: ARS §39-101; §41-1348; §41-151-16; §41-1351; City Charter Article IV, Section 2; Article VII, Section 14; Article VIII, Section 16; Case Law; CMD29</p>
<p>Fund/Division #: 1000-10210 Division Name: City Clerk</p> <p>REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$2,175 TOTAL: \$2,175</p>	<p>CURRENT LEVEL OF SERVICE: Public Notices and Publications - Receive, maintain, distribute notices and items for publication including legal notices and ads, annexation notifications, auctions, RFP's, election notices, redistricting ads, Board and Commission Minutes and Agendas, resolutions and ordinances, legislative review, implement new legislation, webpage management, tracking and database management, posting online and official posting sites, diversity outreach through the use of minority publications See Also: Records Management, Elections, Contract Management, Council Meetings</p> <p>REDUCTION DESCRIPTION: 1) Reduce advertising budget - resolutions have always been published as well as various notices and for the information of the citizen. After research, these documents are no longer legally required to publish.</p> <p>RESULTING LEVEL OF SERVICE: Statutorily required - reduction in operating costs and service to citizens but does not affect compliance with law; Cannot reduce staff time and comply with laws.</p> <p>REQUIRED?: City Charter Article IV, Section 2; Article VII, Section 6c.</p>



STAFF REPORT

To: **Horatio Skeete, Acting City Manager**
From: **Brent Stoddard, Intergovernmental Programs Director**
Item Title: **PROPOSED BUDGET REDUCTIONS AND REORGANIZATION STRUCTURES**
Requested Council Meeting Date: **12/18/2012**
Meeting Type: **Workshop**

ANALYSIS

The purpose of this report is to address the Intergovernmental Programs Department's service impacts of the General Fund (GF) operating budget reductions. These reductions will be implemented during the last six months of Fiscal Year (FY) 2013, with the full year ongoing impact of those reductions realized for FY 2014.

Elimination of Glendale's Federal Lobbying Contract

The complete elimination of the contract with our Federal Lobbying firm means that Glendale no longer has a full-time presence in Washington D.C. The result of this action is all interactions with federal agencies and our Congressional delegation will be handled by the remaining in-house Intergovernmental Programs staff. The IG Department will cut \$90,336 with this elimination.

Prior to 2007, the city did not have a federal lobbyist and the federal relations work was done in-house by an IG staff member whose sole responsibility and assignment was federal relations. Glendale was one of the only major cities in the valley at that time that did not have a full-time D.C. based firm. This local staffing model put Glendale at a competitive disadvantage to compete for and secure federal funds, gather timely information, and advocate for the priorities of the city at the federal level. The IG Department was also spending significant amounts of money travelling to Washington D.C. to represent the city and develop the necessary relationships needed to be effective. Glendale will now be returning to the pre-2007 model, only the IG department no longer has a staff member to dedicate exclusively to federal relations so the work will be divided up between the remaining IG staff. In addition, the IG budget does not provide the adequate travel funds needed to travel to D.C. on a regular basis to adequately represent the city and its issues. Glendale will be significantly limited in its ability to protect and further its federal interests with this cut.



STAFF REPORT

The current lobbying contract required the city to give a 60 day notice to terminate. The budget crisis required that the city provide that notice several months ago in order to terminate the contract in time to realize the needed budget savings. Since eliminating the contract in November 2012 departments have already experienced a loss in the up to date customized information for Glendale that was provided through weekly updates from the firm. It is a very turbulent time in D.C., with massive cuts to programs and services being considered that will certainly impact Glendale for years. There are insider federal publications that can be subscribed to that provide up to date information (although not customized to Glendale), however there are no funds budgeted or available to subscribe to these costly publications.

The federal lobbyists have been responsible for securing over \$2.5 million in direct appropriations for projects within the city over the last five years. Without a full time D.C. based lobbyist it will make it difficult to secure funding levels like this in the future if the earmark process returns in Congress. If the earmark process were to open back up again on the federal level in the coming years we will need to reassess the need to hire a federal consultant again.

Renegotiation of Luke Air Force Base (AFB) Federal Consultant Contract

In 2006, 14 West Valley communities conducted a national search for the hiring of a consulting/legal/public relations team to develop and execute a strategy which would ensure the long-term viability of Luke AFB. The current contract expires December 31, 2012. The new negotiated agreement represents a significant reduction from the previous contract. Previously, the annual contract was \$340,000 of which Glendale's portion was \$65,155. The new contract, at a total cost of \$144,000 annually, represents over a 50% reduction. Glendale's portion will be \$27,273 which results in an annual savings of \$37,882.

Although Luke AFB has been selected as the training site for the F-35, there are still many issues that could threaten Luke's long-term viability including sequestration, federal budget cuts and any Base Realignment and Closure Commission (BRAC) or other Force Structure Adjustment-related issues. Additionally, the firm will assist with securing funding for Luke AFB and the Barry M. Goldwater Range and will work to ensure that any potential aircraft or staff departures are minimized to reduce the detrimental impact to Luke AFB. The amount budgeted for the contract is the fixed monthly costs. If there are additional expenses associated with Luke issues there will be no additional monies available to pay for them.



STAFF REPORT

Eliminate Online Legislation Tracking System

The elimination of the subscription for the Capitol Impact bill tracking program will put a large burden on the remaining IG staff and legislative liaisons from other departments to respond and provide feedback on state legislation that impacts the city. The cost of the subscription is \$3,500 a year. The result will be finding a different way to obtain the same amount and quality of feedback received from departments on state legislation impacting the city and legislative issues so that nothing falls through the cracks.

During the state legislative session the Intergovernmental Programs Department tracks over 400 bills that may impact the city of Glendale and its operations. Every single bill introduced at the State Legislature (last session it was 1,544 bills), is read by a member of the IG staff. If it appears to affect city funding, operations, programs etc. the bill is assigned to multiple departments that would be effected. These departments are required to study the bill and provide detailed feedback to IG staff on the impacts of the bill as well as a suggested position (oppose, support, neutral). IG staff reviews these departments' technical feedback and in coordination with the legislative guiding principles adopted each year by the Council as part of the state legislative agenda, a formal position on the bill is developed. IG staff then advocates for Glendale on those bills.

In 2006, Glendale, along with the Phoenix and Mesa, contracted with a firm called Capitol Impacts to build a customized online legislative tracking program. The program allows IG staff to assign each bill electronically to appropriate departments. Each department user (with their own login) was able to access the website 24 hours a day 7 days a week online. When the individual logs in, the program automatically pulled up a list of every single bill that has been assigned to them and designates which ones they have already responded to and which ones were awaiting their comments. Although the program was utilized heavily at first, as departments have reduced staff over the last few years there has been less and less participation by departments in responding in the online system to the assigned bills. IG staff ended up having more in-person meetings and discussions with departments on the many bills impacting their services. This direct contact type of outreach will continue to be the method of how we gather critical information in the future.

INTERGOVT. PROGRAMS DEPARTMENT REDUCTIONS

	FTE's	A6000	A7000	TOTAL
Totals	0	\$0	\$131,718	\$131,718

<p>Fund/Division #: 1000-10910 Division Name: Intergovernmental Programs</p> <p>REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$37,882 TOTAL: \$37,882</p>	<p>CURRENT LEVEL OF SERVICE: Under a regional contract with 14 West Valley communities the city contracts with a Federal Lobbying firm to secure funding for Luke Air Force Base and advocate for the mission and continued viability of the base.</p> <p>REDUCTION DESCRIPTION: In coordination and cooperation with the other west valley communities, a reduction to the Luke AFB federal contract resulting in a reduced cost to the city.</p> <p>RESULTING LEVEL OF SERVICE: Now that the F-35 has been secured there will be a reduced scope of work for the Luke AFB consultant.</p> <p>REQUIRED?: Not Required</p>
<p>Fund/Division #: 1000-10910 Division Name: Intergovernmental Programs</p> <p>REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$90,336 TOTAL: \$90,336</p>	<p>CURRENT LEVEL OF SERVICE: The Intergovernmental Programs Department manages the contracts of consultants who represent and protect the city's interest on the federal level. These services include providing comprehensive services full-service federal government relations services, comprehensive legislative and executive branch strategic advice, liaison services and legislative advocacy, in particular the securing of federal authorization and appropriation language needed to provide federal support for a wide range of local programs and projects.</p> <p>REDUCTION DESCRIPTION: A complete elimination of Glendale's federal lobbying contract.</p> <p>RESULTING LEVEL OF SERVICE: No Federal Lobbying firm for the City. The city will not have a constant presence in Washington D.C. and we will not receive weekly updated information that is provided to us by the firm. We will need to travel to DC more to make and strengthen relationships on our own and to directly advocate for the priorities of the city resulting in increased travel costs. We will need to subscribe to federal political publications to have current information. The federal consultants over the last 5 years have been responsible for securing over \$2.5 million in appropriations for projects within the city. It will be more difficult to secure funding like this in the future.</p> <p>REQUIRED?: Not Required</p>
<p>Fund/Division #: 1000-10910 Division Name: Intergovernmental Programs</p> <p>REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$3,500 TOTAL: \$3,500</p>	<p>CURRENT LEVEL OF SERVICE: Online program that tracks over 400 legislative bills a session that impact the City of Glendale with real time feedback from Departments on the impact of the bills and amendments which are then communicated to the Legislators.</p> <p>REDUCTION DESCRIPTION: Eliminate the subscription for the online program that electronically tracks legislation and allows for comments on each bill by city departments.</p> <p>RESULTING LEVEL OF SERVICE: It will put a larger strain on the existing staff to email each individual bill to the individual in the respective departments who must also respond by email rather than into an online database that everyone can see.</p> <p>REQUIRED?: Not Required</p>

Community Services

FY 2014 Reductions

Excludes A7500 Series Accounts

(\$'s in Thousands) Department Name	FY 2014 Full Year Reduction Amount (Effective Mid-Year FY 2013)				a b c d = b - c (d - a) / a - c / b			FTE Reduction	Projected FY 2014 FTE's	Projected FY09-FY14 % Change	Projected FY13-FY14 % Change
	A6000	A7000	Rev Loss	Total	Budgeted FTE's						
					FY 2009	FY 2013	FY 2013 Amd				
Community & Econ Dev	\$161	\$273	\$0	\$434	76.0	38.0	37.0	2.0	35.0	-54%	-5%
Parks, Rec & Library	\$1,629	\$130	(\$337)	\$1,422	181.0	111.3	110.3	22.4	87.9	-51%	-20%
Communications	\$343	\$243	\$0	\$586	28.5	25.5	24.5	4.5	20.0	-30%	-18%
N'Hood & Human Svcs	\$279	\$265	\$0	\$544	32.0	21.0	20.0	2.0	18.0	-44%	-10%
Public Works	\$1,100	(\$86)	\$0	\$1,014	105.8	53.8	53.8	22.0	31.8	-70%	-41%
Total	\$3,512	\$825	(\$337)	\$4,001	423.3	249.5	245.5	52.9	192.6	-54%	-22%



STAFF REPORT

To: **Horatio Skeete, Acting City Manager**
From: **Brian Friedman, Executive Director, Community & Econ. Dev.**
Item Title: **PROPOSED BUDGET REDUCTIONS AND REORGANIZATION STRUCTURES**
Requested Council Meeting Date: **12/18/2012**
Meeting Type: **Workshop**

ANALYSIS

The purpose of this report is to address the Community and Economic Development Department service impacts of the General Fund (GF) operating budget reductions. These reductions will be implemented during the last six months of Fiscal Year (FY) 2013, with the full year ongoing impact of those reductions realized for FY 2014. A considerable amount of time, energy and thought has gone into studying every component part, deliverable, and statutorily required function contained within the CED Department while ensuring our ability to continue delivering our core missions at reduced levels in spite of the employee reductions and increasing development activity in all three divisions.

Current Services and Staffing Demands

- The Community and Economic Development Department consists of three divisions: Building Safety, Economic Development, and Planning which operate seamlessly together covering the gamut of the City of Glendale's statutory requirements and opportunities for community development citywide.
- The CED Department based on current staffing levels is as prepared as possible for the major construction increases in motion. Five new significant projects will all start construction in the beginning of 2013. These projects include: Dignity Health's new hospital campus, Arrowhead Cadillac of Glendale, Midwestern University's Veterinarian School, a new medical office building, and a new rail served industrial building. These five projects alone represent nearly 500 new jobs, capital investment of \$174M, and 455,000 square feet of new, ground-up development.
- Economic Development has the largest pipeline of activity we have had in the past half a decade with over 40 GPEC/ACA leads in motion in the early part of this fiscal year in addition to our internally generated prospects.
- In FY12, 3,115 plan reviews were conducted by the Building Safety Plan Review group. This equates to 64 plans per week and 2.5 plans per day per plan review staff person above ISO standards.



STAFF REPORT

- In FY12, 22,019 inspections were performed, this equates to 450 inspections per week or an average of 13 inspections per work day per inspector, above the ISO standard of 10 per day. Inspections have increased 32% over the lowest point in FY10, yet staffing levels have decreased by 36% from that time period and are only increasing.
- The Department issued 129 single family permits in FY12. In the first quarter of this fiscal year we issued 255 single family permits, a 98% increase in just the first few months over last fiscal year.
- Planning staff reviewed 381 service requests and officially filed land use cases in 2011. Thus far in 2012 staff has reviewed 811 service requests and officially filed land use cases in addition to 732 construction plans and increased annexation activity in the Loop 303 Corridor.

Proposed Reductions and Supporting Rational

- CED currently has 37.8 approved positions. The proposed reductions detailed on the attached spreadsheet include cuts to operating expenses and staffing levels. The total proposed reductions to the FY14 budget is \$433,877 which includes two FTE's representing \$161,239 in salary savings and \$272,638 from CED's operating budget.
- Since 2009, the three divisions that comprise CED have experienced a 54% reduction in workforce. The proposed reductions result in an additional 6% decrease in staffing for a total of 60%. The two positions are:
 - Elimination of a vacant plans examiner position as of 11/14/2012 (\$71,155) - This position represents 50% of the division's Plans Review staff. This departure affects the division's turnaround time similarly. Staffs in related disciplines are being reorganized to cross train and cover the loss. In addition, due to the implementation of the final phase of SB1598, which mandates that all plan reviews meet established deadlines, or the plans will automatically be approved and fees refunded, review times will need to be extended and will affect the inspection and permit processes as well as economic development clients.
 - Elimination of a Building Inspector Specialist position due to anticipated retirement in June of 2013 (\$90,084) - This vacancy represents a 10% reduction in overall inspections capacity which currently stands at 450 inspections per week. The increased development activity will increase the number of daily inspections required of each building inspector. With manpower at its limit, should the quality of the service drop below customer expectations then we would explore contracting with a private service provider.



STAFF REPORT

- The proposed reduction in Economic Development operating funds is \$20,000. Those funds are used to support business attraction, retention and expansion programs, broker and site selection outreach and consultants to complete required studies. This reduction will result in a limited ability to participate in business attraction efforts and provide resources essential to performing the functions of Economic Development.
- The proposed reduction in Planning operating funds is \$18,055. Those funds are used to maintain the division's boards and commissions training and support, as well as consultant services for statutorily required activities such as updating the City's General Plan. These functions will be maintained but at a reduced level due to this reduction.
- The proposed reduction in Building Safety operating funds is \$6,000. These funds are used for professional development, cell phone charges and fuel budget. With this reduction, Building Safety staff will experience a decrease in professional development opportunities.
- The proposed reduction in the Business Development Account is \$228,583 leaving a \$100,000 in FY14 for all third party verifications and studies required by law to support any economic development opportunity that may arise throughout the year.

Conclusion

- Through cross training, creative work schedules and the reorganization of CED staff, the department has been able to maximize output and maintain a quality level of service to citizens and businesses. With the broad increase in department activity, the upcoming projects commencing construction in early 2013 and the impact of the reduction in workforce, CED staff will continue to aggressively cross-train to perform additional job functions and/or operate at a higher efficiency levels in their current positions. The combination of all the facts in this document together speak to the level of service and speed in which we will be able to respond to the open market, our customers and citizens. Glendale has an outstanding reputation for delivering a quality project quickly and is the reason why we are often selected for private investment. Although we recognize that service delivery times will be elongated, we are committed to doing our best to manage the opportunities and keep pace with our clients' expectations.

COMMUNITY & ECON DEV DEPARTMENT REDUCTIONS

	FTE's	A6000	A7000	TOTAL
Totals	2	\$161,239	\$272,638	\$433,877

<p>Fund/Division #: 1000-16025 Division Name: Business Development</p> <p>REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$228,583 TOTAL: \$228,583</p>	<p>CURRENT LEVEL OF SERVICE: The business development division is comprised primarily of consultant fees associated with finance and economic development projects that are of a high priority. These consultants provide expertise, independent guidance and third-party verification to the department and executive management as opportunities arise throughout the year.</p> <p>REDUCTION DESCRIPTION: Reduce funding by \$228,583, leaving \$100,000 in the budget for all opportunities as described above.</p> <p>RESULTING LEVEL OF SERVICE: By only utilizing these funds for minimal outside consultants for specific projects that require third party verification, existing staff must absorb all other duties.</p> <p>REQUIRED?: Yes, by State/Fed Law</p>
<p>Fund/Division #: 1000-16010 Division Name: Economic Development</p> <p>REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$20,000 TOTAL: \$20,000</p>	<p>CURRENT LEVEL OF SERVICE: The Economic Development division FY12 expenditures are \$1,490,301 of which \$338,000 are city council approved development agreement obligations (Bechtel and Coca-Cola) The activities performed by this division resulted in an estimated \$4,332,106 in direct revenue to the general fund as determined by our economic impact analysis presented during the last budget discussions. This represents a 290% cost recovery for this division. This division supports our four core missions of: Business Attraction, Business Retention and Expansion, Redevelopment/Centerline, and Business Assistance essential to a vibrant community. The current service level within this division allows us to continue our economic development efforts with the greater business community, maintain our active relationships with our regional partners such as GPEC/ACA and access industry databases which are required for us to continue to perform, attract new businesses and remain competitive in the open market benefiting the general fund.</p> <p>REDUCTION DESCRIPTION: Reduction in Economic Development funds to business attraction, retention and expansion programs, broker and site selection outreach and consultants to complete required studies.</p> <p>RESULTING LEVEL OF SERVICE: Econ Dev will not be able to fully participate in business attraction efforts and will be limited in its ability to provide the resources essential to performing business attraction, business retention and expansion, redevelopment and business assistance.</p> <p>REQUIRED?: Not Required</p>
<p>Fund/Division #: 1000-15910 Division Name: Planning Administration</p> <p>REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$18,055 TOTAL: \$18,055</p>	<p>CURRENT LEVEL OF SERVICE: Planning's expenditures amount to \$858,804. Planning generated direct revenue to the city's general fund in the amount of \$240,461 for FY12, which represents a 28% cost recovery for these statutorily required functions. The Planning Administration division provides overall land use policy direction and administration to Planning. Provides support to the City Council, Planning Commission, Board of Adjustment and Historic Preservation Commission.</p> <p>REDUCTION DESCRIPTION: Reduction in the Planning Division's professional and contractual budget.</p>

COMMUNITY & ECON DEV DEPARTMENT REDUCTIONS

	RESULTING LEVEL OF SERVICE: Funding will be reduced for boards and commissions training and support as well as reduced ability to retain consultant services such as those activities related to updating of the City's General Plan.
	REQUIRED?: Yes, by City Code
Fund/Division #: 1000-15610 Division Name: Building Safety REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$6,000 TOTAL: \$6,000	CURRENT LEVEL OF SERVICE: Building Safety and DSC division expenditures amount to \$2,156,994. These divisions generated direct revenue to the city's general fund in the amount of \$1,985,088 for FY12 which is a 92% cost recovery rate. Building Safety provides life safety and building code compliance plan reviews and inspections for all development projects built within the city as well as for special events, bowl games and manage the abatement of dangerous buildings program. This division streamlines and partners with high-priority project developers to ensure required opening deadlines are met and city revenues are generated. Within the Building Safety division, 95% of all inspections are performed within 24 hours of being called. The remaining 5 percent are made within 48 hours. 96% of all reviews are completed by the due date. 90% of all phone calls are answered within 24 hours. 90% of all complaints are being addressed within 48 hours of notification. 85% of all phone calls are answered by a live person. 15% roll over to the recorded message for distribution.
	REDUCTION DESCRIPTION: Reduction in Building Safety funds for professional development, cell phone charges and fuel budget.
	RESULTING LEVEL OF SERVICE: A reduction in the operating budget for Building Safety will result in less ability for professional development opportunities for employees.
	REQUIRED?: Yes, by City Code
Fund/Division #: 1000-15610 Division Name: Building Safety REDUCTIONS: # of FTEs: 1 A6000: \$90,084 A7000: \$0 TOTAL: \$90,084	CURRENT LEVEL OF SERVICE: Within the Building Safety division, 95% of all inspections are performed within 24 hours of being called. The remaining 5 percent are made within 48 hours. 96% of all reviews are completed by the due date.
	REDUCTION DESCRIPTION: Elimination of Building Inspector Specialist position due to anticipated retirement in June 2013.
	RESULTING LEVEL OF SERVICE: 85% of all inspections will be performed within 24 hours. 15% will be made within 48 hours of being called. The corresponding result of this vacancy represents a 10% reduction in overall inspections capacity which currently stands at 450 inspections per week.
	REQUIRED?: Yes, by City Code
Fund/Division #: 1000-15610 Division Name: Building Safety REDUCTIONS: # of FTEs: 1	CURRENT LEVEL OF SERVICE: Within the Building Safety division, 96% of all reviews were completed by the due date, when there were 2 examiners. The number of plans reviewed weekly is 64.
	REDUCTION DESCRIPTION: Elimination of Plans Examiner position due to current vacancy (start vacancy date: 11/14/2012)

COMMUNITY & ECON DEV DEPARTMENT REDUCTIONS

A6000: \$71,155
A7000: \$0
TOTAL: \$71,155

RESULTING LEVEL OF SERVICE:

This position represents 50% of the division's current Plans Review staff. This departure affects the division's turnaround time similarly. Staff in related disciplines are being reorganized to cross train and cover the loss due to anticipated workload. In addition, due to the implementation of the final phase of SB1598, which mandates that all plan reviews meet established deadlines, or the plans will automatically be approved and fees refunded, review times may need to be extended even longer.

REQUIRED?:

Yes, by City Code



STAFF REPORT

To: **Horatio Skeete, Acting City Manager**
From: **Erik Strunk, Executive Director Parks Recreation and Library Services**
Item Title: **PROPOSED BUDGET REDUCTIONS AND REORGANIZATION STRUCTURES**
Requested Council Meeting Date: **12/18/2012**
Meeting Type: **Workshop**

ANALYSIS

The purpose of this report is to address the Parks, Recreation and Library service impacts of the General Fund (GF) operating budget reductions. These reductions will be implemented during the last six months of Fiscal Year (FY) 2013, with the full year ongoing impact of those reductions realized for FY 2014. The department consists of the following primary functions:

- Library and Arts is responsible for the operations and services of the Velma Teague, Main and Foothills libraries. Combined, these facilities promote literacy and cultural enrichment by circulating on average approximately 2.1 million items each year and host 885,000 library patrons. On average, the three libraries also have 257,000 computer lab users each year and host over 1,800 educational programs for youth and adults (for example - SAT Practice Tests, Toddler Time, Authors at the Teague, etc) resulting in 53,331 participants. The public arts program is responsible for performing arts, art-related events, the maintenance and upkeep of the City's 370 piece arts portfolio and administers the 1% for the arts fund.
- Parks and Rights-of-Way Maintenance (ROW) provides services in two key areas: all city parks and related facilities and all ROW property. Parks Maintenance maintains 119 different parks and related facilities such the City's 55 neighborhood parks; nine community parks; 6 regional parks; the Thunderbird Conversation Park; four sports complexes, 21 retention basins, 22 special-use facilities such as our community centers and fire stations; our two-city owned aquatics facilities and all park equipment such as shade structures, parks restrooms, sports courts and playground equipment. It also is responsible for the City's Rights-of-Way (ROW) functions that entail the general maintenance of 512 acres of city-owned rights-of-ways (i.e. - the trimming of over 15,000 trees up to 4 times/year, the maintenance of all ROW irrigation, 22.5 miles of alleys and 200 arterial miles of litter control.)



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- Recreational programming consists of our Glendale Recreational After School programs; the Adult Center; the Foothills Recreation and Aquatics Center (FRAC); Rose Lane Aquatics Center; recreational activities at four different community centers; all special interest classes; the allocation system for the use of our athletics facilities; oversight of the Paseo-Racquet Center, the Desert Mirage Golf Course, and the Glen Lakes Golf Course; the Youth Sports complex; activities and events at the Historic Sahuaro Ranch; all park ramada and related facility rentals; aquatics lessons and open swimming; adaptive use programming for the disabled population; services for our senior community; and all other recreational activities for all ages and walks of life.

The total of all proposed department reductions will amount to approximately \$1.4 million and result in the elimination of 22.375 FTE positions. Of this, 19.375 are currently vacant due to retirement/resignation and will not be filled. The remaining three (3) FTE positions are currently filled and are proposed for elimination. Should all of these recommendations be approved, it will result in a new authorized strength of 87.9. FTE positions for the department. What follows is a summary of the department reductions proposed for FY13:

- Elimination of 3.25 FTE positions in the General Fund Glendale Recreation After School Program (GRASP): GRASP is a supervised, structured before and after school program that provides youth with educational and recreational activities at nine sites throughout the Glendale community. As a part of the ongoing assessment of this program, it was necessary to eliminate the General Fund portion of this program earlier this year at three sites (Glendale Community Center; Rose Lane Recreation Center; and O'Neil Recreation Center) due to insufficient participation in the program. As a result, on November 5, 2012, 3.25 FTE's were eliminated, resulting in a \$330,674.00 savings to the City. The self-sustaining portion of the GRASP at the remaining sites program is covering expenses based on established fees charged for the program and will continue to be monitored.
- Elimination of 1 FTE position at Glendale Community Center: The Glendale Community Center is located at 5401 W. Ocotillo Road. Up until July 1, 2012, the City previously provided all senior and youth programming at the site. Since then, the City has continued its partnership with two non-profit organizations that provide free recreation services to the general public. The YWCA provides senior services Monday – Friday, from 8:00 a.m. -2:00 p.m.; while the Glendale Youth Project provides supervised programming and recreational opportunities for area youth, Monday – Friday, from 3:30 p.m. – 8:30 p.m.. Outside



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of utilities and general maintenance expenses, there are no other expenses to the city. The staff position previously assigned to the center was eliminated on November 5, as a part of the General Fund reductions to the GRASP program, resulting in \$70,856 in savings.

- Elimination of 12.125 FTE positions and Library Re-organization: All three public libraries will be staffed under a new model that is consistent with the Maricopa County and those used by the private sector. Current hours of operation will remain. The Library will accomplish this by transitioning to a new service delivery model accomplished through the elimination of vacant positions and the reduction of high level positions to lower levels. For example, “one-desk” and “two-desk” models will be implemented by combining reference, circulation and youth services functions. Velma Teague will operate a one desk model and Main and Foothills will employ a two-desk model. The library will continue to outsource processing of materials in order to free up staff to provide patron assistance at public service desks. Several staff will be responsible for a wider range of job functions to ensure continuity of technology services, which will result in the consolidation of management functions. Of the 12.125 FTE positions to be eliminated, 10.125 are currently vacant and will not be filled. The restructuring will save an estimated \$844,682 annually.
- Elimination of 1 FTE Parks CIP Project Coordinator position in Parks Maintenance: Since the merger of Rights-of-Way with Parks Maintenance in July of 2011, there have been a total of six FTE reductions in the ROW division due to retirement and/or position elimination. In May 2012, the CIP Project Coordinator position was shifted full-time into a vacant position that manages and serves as the crew leader for the ROW division (due to the previous retirement of one crew leader and the elimination of another). This recommended action will permanently transfer the CIP Project Coordinator position out of the General Fund into the HURF-funded ROW Division. Any remaining CIP work previously required of the position will be re-assigned as appropriate. This will result in a \$103,126 annual savings to the General Fund.
- Elimination of 2 FTE Service Workers in Parks Maintenance: There is currently a vacant Service Worker III position in the HURF-funded ROW Division that is in need of filling and a Service Worker II position in Parks Maintenance that is currently vacant due to retirement. This recommendation will result in the transfer of an existing Service Worker III from the General Funded Parks Maintenance Division into the ROW Division and the elimination of the vacant position in Parks Maintenance. This will increase the amount of park acreage for which remaining parks staff are responsible, from 120 acres per person to 168 acres per person. The net effect of this will result in slower response times to responding to parks maintenance issues (i.e.



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- litter removal; pruning of trees; minor irrigation repairs, weed control, playground inspections) and in the maintenance of the City's open-space fields at 23 sites throughout the City (i.e. – Foothills, Paseo and Sahuaro Ranch Sports Complex, O'Neil Park, Rose Lane Park, Brian Anderson Field, the Sahuaro Ranch soccer fields, etc.). Service reductions in this area would include: baseball/softball fields may not be dragged in between games; the frequency of chalking and lining of fields will be reduced by up to 30%; and staff will most likely no longer be on site during large sporting league events (although they will still be accessible by phone). This will result in an \$115,634 (Service Worker III = \$56,282 + Service Worker II = \$59,352) annual savings to the General Fund.
- Elimination of 1 FTE Office Support Supervisor: This is a vacant position at the Foothills Recreation and Aquatics Center. The position has been vacant since August 2012 and the FRAC has continued to provide excellent customer service to all patrons. The primary function of the position was to coordinate scheduling of temporary contractual employees, to oversee customer service and financial processing (reconciliation, cash handling, etc.). These have all been redistributed and absorbed by remaining staff. The position no longer needed. This will result in a \$63,247 annual savings to the General Fund.
- Elimination of 1 FTE Support Services Supervisor: The position is a working supervisory position that manages a two member team that is responsible for all set up and take down of daily room preparations at the Adult Center, the FRAC, city-wide special events, and department room rental requests; minor repair work at both facilities (painting, repair of some equipment); light building maintenance such as floor care; and the moving of department equipment to sites where needed (pick-up and delivery). Elimination of the position will result in the re-assignment of the two remaining support services to staff to the Maintenance Division. Certain functions performed by the support services staff will be shifted to room users and/or staff (moving tables, chairs, for meetings) and there may be delays on specific special-event type set up requests. This will result in an \$81,255 annual savings to the General Fund.
- Elimination of 1 FTE Management Aide: This position will be vacated due to pending retirement and will be eliminated. It provides assistance on all department check requests, pro-card processing, contract monitoring, vendor payments, monitoring of special revenue accounts, and financial reconciliations. These duties will be redistributed to remaining staff in the newly created Financial and Customer Service division of the department. This will result in a \$59,849 annual savings to the General Fund.



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- **Reduction of General Funds to FRAC:** The Foothills Recreation and Aquatics Center was opened in October 2006 and is designed to recovery approximately 78% of its expenses through various user fees. Last year, the FRAC had approximately 427,964 visitors and provided recreational programming for all ages. As presented to Council in October 2012, the FRAC will move to a 100% cost recovery mode. It will do so via a combination of cost reductions, hours of operation, re-purposing of an existing room to generate revenue, and adjustment of user fees as appropriate. An operating budget reduction of \$73,000 will be made to bring the budget inline with current revenue targets. Continuous monitoring of revenues and expenses will be done to insure 100% cost recovery.
- **Elimination of Park Special Events and Programs Funding:** There is currently \$5,793 in the Park Special Events and Programs budget that will be eliminated. Historically, these funds have been used for special park events and ceremonies and have been primarily used to defray special equipment rental and temporary staff time. These types of events will only be planned if absolutely necessary and they will be done so at the expense of the remaining department budget. This will result in a \$5,793 annual savings to the General Fund.
- **Re-Classification of 1 FTE Park Manager:** The department has re-organized and re-aligned many of its direct-report functions over the past six months due to previous budget reductions. One of these re-alignments involved the movement of an entire division to the Parks Maintenance and ROW Division. Because of this new alignment, there is a need to reclassify an existing Manager position into a Crew Leader position. This will result in a \$11,000 annual savings to the General Fund.

PARKS, REC & LIBRARY DEPARTMENT REDUCTIONS

	FTE's	A6000	A7000	Revenue Loss	TOTAL
Totals	22.375	\$1,628,636	\$130,480	(\$337,000)	\$1,422,116

<p>Fund/Division #: 1000-14650 Division Name: Youth and Teen</p> <p>REDUCTIONS: # of FTEs: 3.25 A6000: \$192,963 A7000: \$137,711 REV LOSS: (\$337,000) TOTAL: (\$6,326)</p>	<p>CURRENT LEVEL OF SERVICE: As a part of the FY13 budget process, all GRASP sites were converted into licensed sites and the program is no longer free to the public (they must pay a user-fee).</p> <p>REDUCTION DESCRIPTION: FY13 - Eliminate General Fund Licensed GRASP Program. Projected revenue for this program at licensed sites was expected to be \$337,000. With the elimination of the program, this revenue will not be realized.</p> <p>RESULTING LEVEL OF SERVICE: Enrollment is not sufficient to continue program at Rose Lane, O'Neil and the Glendale Community Centers. The GF programmer positions will be eliminated. One Rec Manager will be transferred to P&R administration to supervise the 6 self sustaining sites in Fund 1880 that remain in operation, the aquatics program and other duties related to recreation.</p> <p>REQUIRED?: Not Required</p>
<p>Fund/Division #: 1000-14620 Division Name: Glendale Community Center</p> <p>REDUCTIONS: # of FTEs: 1 A6000: \$57,249 A7000: \$13,607 TOTAL: \$70,856</p>	<p>CURRENT LEVEL OF SERVICE: The Glendale Community Center curenly serves the Heart of Glendale Neighborhood (51 - Grand; Maryland - Ocotillo) and surrounding area. It currently uses non-profit organizations to provide senior-based programing and youth and teen services Monday - Friday, 7 a.m. - 6 p.m. and a non-profit provides teen services from 5:30 p.m. - 8:30 p.m.</p> <p>REDUCTION DESCRIPTION: FY13 - Eliminate one Recreation Programmer assigned to the Glendale Community Center. With adusted hours, the Center will operate 100% through existing partnerships with YMCA and non-profit Teen Program.</p> <p>RESULTING LEVEL OF SERVICE: Although City staff will no longer be directly assigned to the Glendale Community Center, the department will continue to monitor and ensure the continued proper use of the facility based on current protocols defined in the signed agreements with its non-profit service providers. Staff will also enter in to longer-term operating relationships with the non-profit sector.</p> <p>REQUIRED?: Not Required</p>
<p>Fund/Division #: 1000-15220 Division Name: Library</p> <p>REDUCTIONS: # of FTEs: 12.125 A6000: \$954,706 A7000: (\$110,024) TOTAL: \$844,682</p>	<p>CURRENT LEVEL OF SERVICE: The Glendale Public Library currently operates three facilities that are open a total of 111 hours per week. In FY 2011-12 a total of 2,057,119 items were circulated and there were 750,911 visits. The libraries are host to youth, teen, family and community educational and learning opportunities and events; access to the internet; job-training labs; reading clubs; book review clubs; and provide digital media services to all patrons. The Library system is also a member of the Maricopa County Library District "Reciprocal Borrowing Program."</p> <p>REDUCTION DESCRIPTION: FY13 - the Library will implement a new staffing model for all three library branches that will significantly reduce costs, yet retain current hours of operation. To accomplish this, it will be necessary to completely reconfigure the staffing structure of the library and eliminate 12.125 FTEs.</p> <p>RESULTING LEVEL OF SERVICE: Reduced cost for operation of all three branches.</p> <p>REQUIRED?: Not Required</p>

PARKS, REC & LIBRARY DEPARTMENT REDUCTIONS

<p>Fund/Division #: 1000-13030 Division Name: Parks CIP & Planning</p> <p>REDUCTIONS: # of FTEs: 1 A6000: \$92,733 A7000: \$10,393 TOTAL: \$103,126</p>	<p>CURRENT LEVEL OF SERVICE: The Parks Project Coordinator managed capital development projects and any ongoing warranty and/or maintenance issues related to CIP. This individual currently supervises the Rights-of-Way Division and all related functions.</p> <p>REDUCTION DESCRIPTION: FY13 - the General Fund Parks Project Coordinator Position will be eliminated and the person occupying the position transferred to ROW Fund 1340.</p> <p>RESULTING LEVEL OF SERVICE: The department administration will assume responsibilities of capital development and warranty/maintenance of capital projects.</p> <p>REQUIRED?: Not Required</p>
<p>Fund/Division #: 1000-13040 Division Name: Parks Maintenance</p> <p>REDUCTIONS: # of FTEs: 1 A6000: \$56,282 A7000: \$0 TOTAL: \$56,282</p>	<p>CURRENT LEVEL OF SERVICE: The Parks Maintenance staff are responsible for a variety of functions such as mowing, minor irrigation repairs, repair work, weed control, litter patrol, playground inspections, graffiti removal, trash removal, pruning of trees and shrubs, for approximately 119 different city parks and facilities.</p> <p>REDUCTION DESCRIPTION: FY13 - a General Fund Service Worker III FTE from the Parks Maintenance Division will be transferred to a vacant position in ROW Fund 1340.</p> <p>RESULTING LEVEL OF SERVICE: Remaining Parks service workers will have to be responsible for approximately 168 acres per FTE versus the current 120 acres per person.</p> <p>REQUIRED?: Not Required</p>
<p>Fund/Division #: 1000-13040 Division Name: Parks Maintenance</p> <p>REDUCTIONS: # of FTEs: 1 A6000: \$59,352 A7000: \$0 TOTAL: \$59,352</p>	<p>CURRENT LEVEL OF SERVICE: There are currently two service worker FTE's who maintain the 80 acre Saharo Ranch Park and Historic Area. They are responsible for the general maintenance of the facility which includes trash removal, irrigation repairs, maintenance repairs, field preparation, painting, etc.</p> <p>REDUCTION DESCRIPTION: Eliminate one Parks Service Worker III due to retirement.</p> <p>RESULTING LEVEL OF SERVICE: One Service Worker II will responsible or the entire 80 acres of Saharo Ranch Park and the Historic Area. This increases the overall organizational ratio of one service worker FTE for every 168 acres of parkland versus the the current 120 acres per person.</p> <p>REQUIRED?: Not Required</p>
<p>Fund/Division #: 1000-14720 Division Name: Foothills Recreation Center</p> <p>REDUCTIONS: # of FTEs: 1 A6000: \$63,247</p>	<p>CURRENT LEVEL OF SERVICE: This is a 69,000 sq. ft. family friendly community recreation center. The center is open 101.5 hours per week, 359 days per year. There were approximately 427,964 visitors (the majority are pass holders) and of these 32,372 participated in the recreational swim.</p> <p>REDUCTION DESCRIPTION: FY13 - Center will move towards becoming 100% self-sustaining through the elimination of a vacant Office Support Supervisor position.</p>

PARKS, REC & LIBRARY DEPARTMENT REDUCTIONS

A7000: \$0 TOTAL: \$63,247	RESULTING LEVEL OF SERVICE: The Center manager and staff will need to review the operations of the center to maximize revenue and minimize expenses to achieve 100% cost recovery. If, at anytime it appears that the center will not be able to achieve 100% cost recovery, other options for continued operations will be reviewed.
	REQUIRED?: Not Required
Fund/Division #: 1000-14640 Division Name: Adult Center REDUCTIONS: # of FTEs: 1 A6000: \$81,255 A7000: \$0 TOTAL: \$81,255	CURRENT LEVEL OF SERVICE: Tasks are performed on a variety of schedules based on programs and city services. Room set up and take down is a daily activity at the Adult Center. Repair maintenance and floor care is completed as necessary. The Adult Center is over 30,000 square feet with 18 rooms. In 2010-11 the Adult Center had 1100 rentals requiring set up and tear down of tables, chairs, and equipment. Staff also assisted with rental set ups and tear downs at the Foothills Recreation and City-wide special events. Other miscellaneous duties as assigned such as repair or cleaning to tables and chairs, program equipment and minor building painting and repairs.
	REDUCTION DESCRIPTION: FY13 - Eliminate the Support Services Supervisor.
	RESULTING LEVEL OF SERVICE: Adult Center and Foothills Recreation Center managers will supervise the service workers assigned to each facility. Maintenance and repair of the two recreation centers will decline. Other City-wide special event and activities will be impacted in that there may no longer be available support.
	REQUIRED?: Not Required
Fund/Division #: 1000-14610 Division Name: Parks & Recreation Admin. REDUCTIONS: # of FTEs: 1 A6000: \$59,849 A7000: \$0 TOTAL: \$59,849	CURRENT LEVEL OF SERVICE: Parks & Recreation Administration and Support Services is the administrative unit of the Parks, Recreation and Library Services Department. It provides strategic leadership, direction, general management and support (i.e. - financial processing, fee collection, facilities reservations, customer service inquiries, department operating and CIP budget monitoring) for all department employees in while ensuring quality services in all parts of our service areas. Staff averages 175-200 customer phone calls per day. In FY 2011/12, staff processed 1600 park ramada reservations, 650 special use permits, 2180 ball field reservations, weekly daycare payments for 225 participants, and 1200 municipal complex reservations, 10,000 class registrations along with administrative staff at Adult Center and Foothills. Staff annually process over 40 purchase orders, 1276 vendor payments, reconciles over 100 specific revenue accounts, processes over 3000 deposits and manages over 65 Pro-Card accounts.
	REDUCTION DESCRIPTION: FY14 - Eliminate one Management Aide from division 14610 due to retirement.
	RESULTING LEVEL OF SERVICE: Consolidate Recreation Support and Recreation Administration division. Redistribute work to remaining staff.
	REQUIRED?: Not Required
Fund/Division #: 1000-14720 Division Name: Foothills Recreation Center	CURRENT LEVEL OF SERVICE: This is a 69,000 sq. ft. family friendly community recreation center. The center is open 101.5 hours per week, 359 days per year. There were approximately 427,964 visitors (the majority are pass holders) and of these 32,372 participated in the recreational swim.

PARKS, REC & LIBRARY DEPARTMENT REDUCTIONS

<p>REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$73,000 TOTAL: \$73,000</p>	<p>REDUCTION DESCRIPTION: FY14 - Center will continue to reduce expenses and become 100% self-sustaining and no longer be supported by the General Fund by the end of FY15.</p> <p>RESULTING LEVEL OF SERVICE: The Center manager and staff will need to review the operations of the center to maximize revenue and minimize expenses to achieve 100% cost recovery. If, at anytime it appears that the center will not be able to achieve 100% cost recovery, other options for continued operations will be reviewed.</p> <p>REQUIRED?: Not Required</p>
<p>Fund/Division #: 1000-14660 Division Name: Special Events and Programs</p> <p>REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$5,793 TOTAL: \$5,793</p>	<p>CURRENT LEVEL OF SERVICE: These funds are used for special events that occur in city parks and facilities that require temporary rental, stage set-up, etc.</p> <p>REDUCTION DESCRIPTION: FY14 - These will be eliminated and any special events carefully planned with existing resources.</p> <p>RESULTING LEVEL OF SERVICE: Special events will be limited to only those with which can be accommodated with current resources.</p> <p>REQUIRED?: Not Required</p>
<p>Fund/Division #: 1000-14670 Division Name: Sports and Health</p> <p>REDUCTIONS: # of FTEs: 0 A6000: \$11,000 A7000: \$0 TOTAL: \$11,000</p>	<p>CURRENT LEVEL OF SERVICE: Currently, one Park Manager is responsible for leading sports complex maintenance and one Recreation Coordinator oversees the field allocation process and assists with daily maintenance. Combined, both functions coordinate and maintain facilities involving approximately 12,000 hours in field reservations and tournaments; and coordinate field allocations that take place at 23 reservable fields located throughout the city (i.e. – Foothills, Paseo and Sahuaro Ranch Sports Complex, O'Neil Park, Rose Lane Park, Thunderbird Paseo, Brian Anderson Field, Sahuaro Ranch Soccer Fields and four school sites)</p> <p>REDUCTION DESCRIPTION: FY14 - Reclassify one Park Manager position to a crewleader.</p> <p>RESULTING LEVEL OF SERVICE: Merge Sports and Health Division into Parks Maintenance division. Staff duties to be reassigned based on new organizational structure.</p> <p>REQUIRED?: Not Required</p>



STAFF REPORT

To: **Horatio Skeete, Acting City Manager**
From: **Julie Frisoni, Executive Communications Director**
Item Title: **PROPOSED BUDGET REDUCTIONS AND REORGANIZATION STRUCTURES**
Requested Council Meeting Date: **12/18/2012**
Meeting Type: **Workshop**

ANALYSIS

The purpose of this report is to address the Communication Department's service impacts of the General Fund (GF) operating budget reductions. These reductions will be implemented during the last six months of Fiscal Year (FY) 2013, with the full year ongoing impact of those reductions realized for FY 2014.

CIVIC CENTER:

- Achieve 100% cost recovery in three years
- Increase rental revenue, reduce high-cost areas such as utilities and staffing
- Reduce \$140,356 in FY14 in all areas of budget: operations, maintenance and staffing
- Service impacts: landscape will take on a more Xeriscape focus, shut building on non-event days, decrease staffing
- Facility ranked #1 by *Ranking Arizona: The Best of Arizona Business* for 2012 and on track to be top-rated again in 2013

JAZZ & BLUES FESTIVAL:

- Eliminate the annual Glendale Jazz & Blues Festival, beginning in FY13. Budget Reduction: \$50,000 (ongoing)
- The Glendale Jazz & Blues Festival is one of the City's 7 signature festivals that are produced to support the downtown shopping district and economic growth of the area. More than 400,000 people attend Glendale's festivals annually. But, just as important, is the year-round visitation these festivals generate throughout the year for the downtown. Glendale's festivals also serve as a driver for economic development activity as new businesses have opened in downtown due to the increased awareness of the area and pedestrian traffic created by Glendale festivals.



STAFF REPORT

- Downtown Glendale will no longer have a festival in the spring, which is the time of year when citizens and visitors are looking for things to do outside. Many other cities throughout the Valley host events and other activities during the spring months to attract local and out-of-state visitors to their respective communities. Thus, there will be a decrease in the number of visitors to downtown Glendale during this time of year.
- Special Events Division staff will continue to look for opportunities to increase revenue while decreasing expenses in support of the City's remaining downtown festivals.

SPECIAL EVENTS FTE:

- Reduce the division's Special Events Coordinator position from a full-time employee to a part-time employee (.5 FTE). This will reduce the Special Events Division budget by \$26,562 (ongoing).
- The division currently has four FTEs, who are responsible for producing the City's 7 signature festivals; managing the City's paid-parking concession during festivals; administering the City's Special Event Permit Application process (for privately produced events on City property); producing the 8-week Glendale Summer Band Concert Series; coordinating downtown events and activities; and attracting new events to Glendale.
- The Special Events Coordinator serves as the vendor coordinator for City festivals. Responsibilities include researching/developing the annual vendor application program and then soliciting and recruiting vendors (food, craft, commercial, etc.) to participate in City festivals. Once the applications are received, the coordinator reviews hundreds of applications each year and then researches, selects and runs background checks on those vendors who will be participating in the festivals.
- The Special Events Coordinator also serves as the point person for the 8-week Glendale Summer Band Concert Series. Responsibilities include creating and managing the annual budget, approving and tracking annual expenses, coordinating weekly band rehearsals in May and June and setting up for the weekly band performances in June and July.
- Since this position is being reduced to part-time status, some of these duties will need to be restructured among the three remaining full-time staff.

TOURISM:

- Eliminate General Fund operating budget and use the portion of the City's bed-tax revenue dedicated to the Glendale Convention & Tourism Bureau (CVB) to pay for 100% of all division operations. The 2.5 FTEs currently being paid through the General Fund will now be paid for with bed-tax revenue dedicated to the Glendale CVB.



STAFF REPORT

- The Tourism Division operates the Glendale CVB, which now has 117 members from Glendale and the West Valley; operates and staffs the Glendale Visitor Center, which is open six days a week in downtown; coordinates all downtown events and shopping promotions in partnership with downtown business merchants (nearly 100 annually); and develops and manages visitor outreach and tourism promotion programs for Glendale and the entire West Valley region.
- The division can continue to operate as is by using the bed-tax revenue dedicated to tourism promotion. Hoteliers understand the value and benefits of having a convention and visitors bureau in Glendale and support using bed-tax money for tourism promotion.

MARKETING/STADIUM EVENTS:

- Completely eliminate all remaining funding in this account which is budgeted in the amount of \$10,185.
- The budget, which was previously used to promote and advertise the Fiesta Bowl, Spring Training and other large events taking place in Glendale's Sports & Entertainment District, has been significantly reduced over the last few years – from \$169,000 in FY10 to \$10,185 in FY13.
- Priority projects will be covered by the bed-tax revenue dedicated to the Glendale Convention & Visitors Bureau for tourism promotion.

CONVENTION/MEDIA/PARKING:

- Reduce operating budget by \$4,243, reducing line items for equipment and building maintenance, eliminating security for game day operations and eliminating all remaining advertising funding for facility marketing materials.
- Service Impacts: lengthen time between all regular maintenance for facility and building equipment; Security for mega-events will be eliminated and staff will adjust hours of operation; Staff will rely on existing marketing materials for advertising.
- Impact on monthly citizen newsletter, The Connection: Funding was completely cut for this newsletter in FY10. The department has been using funds from the Media Center, Cable and Stadium budgets to cover the annual printing cost of \$12,200. Effective March 2013, staff will print the newsletter bimonthly and may have to reduce to quarterly depending on funding challenges.

CABLE

- Reduce division by 1.5 currently filled FTE's at Glendale 11, the city's television station for a budget reduction of \$131,502.



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- Reduction Description: This will reduce the number of employees working in the Cable division to 3.5 FTEs. One of those 3.5 employees is the primary back-up to the City's sole A/V staffer, leaving the division with 2.5 employees solely devoted to Glendale 11 and producing video for the city's website.
- Service Impacts: More emphasis on live meeting coverage and fewer taped and edited shows. Glendale 11 will continue to focus on coverage of Council meetings and workshops, commission meetings, Mayor/Council programming and short, online and YouTube channel community stories and city news and events. The number and length of videos will be significantly reduced, especially long form, in depth content, online and on air.

COMMUNICATIONS DEPARTMENT REDUCTIONS

	FTE's	A6000	A7000	TOTAL
Totals	4.5	\$342,953	\$243,162	\$586,115

<p>Fund/Division #: 1000-10820 Division Name: Tourism</p> <p>REDUCTIONS: # of FTEs: 2.5 A6000: \$184,889 A7000: \$38,378 TOTAL: \$223,267</p>	<p>CURRENT LEVEL OF SERVICE: Operates the Glendale Convention & Visitors Bureau; operates the Glendale Visitor Center; coordinates all downtown events in partnership with downtown businesses (nearly 100 annually); sports and entertainment visitor outreach that take place in Glendale's Sports & Entertainment District and the entire West Valley region.</p> <p>REDUCTION DESCRIPTION: Eliminate General Fund budget and use the portion of the bed-tax revenue that is dedicated to tourism promotion to pay for all division operations.</p> <p>RESULTING LEVEL OF SERVICE: The division can continue to operate as is by using the bed tax revenue that is dedicated to tourism promotion. Hoteliers understand the value and benefits of having a CVB in Glendale and support using bed-tax revenue to fund all facets of CVB operations. The 2.5 FTEs currently being funded by the General Fund will remain as is, but now will be paid for with bed tax revenue that is dedicated to the CVB.</p> <p>REQUIRED?: Not Required</p>
<p>Fund/Division #: 1870-14325 Division Name: Jazz Festival</p> <p>REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$50,000 TOTAL: \$50,000</p>	<p>CURRENT LEVEL OF SERVICE: The Glendale Jazz & Blues Festival is one of the City's 7 Signature Festivals that are produced annually to support the downtown shopping district and economic growth of the area. More than 400,000 people attend Glendale's festivals annually. But, just as important, is the year-round advertising, publicity and promotion that the downtown shopping district receives as a direct result of this festival and the other 6 events that Glendale produces. This brings people to downtown Glendale throughout the year, which brings foot traffic into local businesses during non-event months. Glendale's festivals also serve as a driver for economic development activity. For example, the out-of-state owners of the Gaslight Inn saw the property while visiting downtown to attend one of the city's festivals in 2011. Shops in Catlin Court and Old Towne have also opened due to the increased awareness of the area and pedestrian traffic created by Glendale festivals.</p> <p>REDUCTION DESCRIPTION: Elimination of the annual Glendale Jazz & Blues Festival, beginning in 2013. ***This cut will result in the reduction of General Fund transfer to Marketing Special Revenue Fund ***</p>

COMMUNICATIONS DEPARTMENT REDUCTIONS

	<p>RESULTING LEVEL OF SERVICE: Downtown Glendale will no longer have a festival in the spring, which is the time of year when residents and out-of-state visitors are looking for things to do. Many other communities throughout the Valley, are hosting events and activities during the spring months to attract local and out-of-state visitors to their respective cities. Thus, there is the potential that the downtown will see a decrease in visitors during this time of year. In addition, the multi-million dollar economic impact that festivals generate for the downtown will decrease. Two recent economic impact studies conducted by the International Festivals and Events Association found that two of Glendale's events -- Glendale Glitters Spectacular Weekend and the Glendale Chocolate Affaire -- generate more than \$3 million in economic impact annually for the city. The study accounted for only 2 of Glendale's 7 festivals. Over the past five years, the two-day festival has had an average attendance of 40,000 people. SERVICE ALTERNATIVE: Jivemind is contractually obligated by the City to produce a number of events in the amphitheater during the year. Thus, although the scope and size may be much smaller, the City could request Jivemind to produce a jazz and/or blues event in April that showcases local talent.</p>
	<p>REQUIRED?: Not Required</p>
<p>Fund/Division #: 1281-10840 Division Name: Mkt'g - Stadium Events</p> <p>REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$10,185 TOTAL: \$10,185</p>	<p>CURRENT LEVEL OF SERVICE: This budget, which was previously used to promote and advertise the Fiesta Bowl, Spring Training and other events taking place in Glendale's Sports & Entertainment District, has been significantly reduced over the last few years from \$169,000 in FY10 to \$10,185 in FY13. With this recommended cut, the entire budget will be eliminated.</p>
	<p>REDUCTION DESCRIPTION: Eliminate budget. ***This cut will result in the reduction of General Fund transfer to Mkt'g - Stadium Events***</p>
	<p>RESULTING LEVEL OF SERVICE: Priority projects will be covered by the bed tax revenue that is earmarked to the Glendale Convention & Visitors Bureau.</p>
	<p>REQUIRED?: Not Required</p>
<p>Fund/Division #: 1000-10890 Division Name: Convention/Media/Parking</p> <p>REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$4,243 TOTAL: \$4,243</p>	<p>CURRENT LEVEL OF SERVICE: Glendale Media Center is the home of Glendale 11 TV studio and provides media broadcast space and facilities rentals.</p>
	<p>REDUCTION DESCRIPTION: *Reduce budget for equipment and building maintenance *Eliminate security for game day operations *Eliminate all remaining advertising funding for facility marketing materials.</p>
	<p>RESULTING LEVEL OF SERVICE: Staff will lengthen the time between all regular maintenance for facility and building equipment, knowing emergency repairs will still have to be done, but regular maintenance will be spread over a longer period. Building maintenance such as cleaning and day-to-day upkeep will occur less frequently. Security for mega events will be eliminated and staff will adjust hours of operation for the facility. All remaining funding for new facility marketing materials will be eliminated relying on existing materials.</p>
	<p>REQUIRED?: Not Required</p>

COMMUNICATIONS DEPARTMENT REDUCTIONS

<p>Fund/Division #: 1740-11710 Division Name: Civic Center</p> <p>REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$140,356 TOTAL: \$140,356</p>	<p>CURRENT LEVEL OF SERVICE: Currently ranked as the #1 conference center of its size in the state of Arizona by "Ranking Arizona: The Best of Arizona Business" and provides 40,000 square-feet of rental space for meetings, conferences, trade shows and social events like weddings, graduations, proms, bar mitzvahs and private parties. The facility averages 280-event days bringing more than 65,000 guests to downtown Glendale annually on a budget of approximately \$250,000.</p> <p>REDUCTION DESCRIPTION: Phase 1: The Civic Center will work to achieve 100% cost recovery and reduce the General Fund transfer by \$250,000 over the next three fiscal years. This will be achieved by increasing revenue generation with new rental programs and continuing aggressive reductions in high-cost areas such as utilities and staffing. FY14: \$140,356</p> <p>RESULTING LEVEL OF SERVICE: The usage of the facility has increased 5% in the last fiscal year while expenses have been reduced nearly 15% over the past 2 fiscal years for a total budget reduction of \$107,000. Increased usage is due to enhanced marketing efforts resulting in the facility being ranked #1 this year and in the top 5 the past several years. Staff continues to remain financially prudent to increase revenue and usage and implement cost saving measures especially in high-cost areas such as utilities, landscaping and staffing. In addition, new rental programs are being created to generate revenue such as renting audio/visual equipment and tables and chairs and enhancing the venue's offerings for targeted markets such as trade shows and conferences.</p> <p>REQUIRED?: Not Required</p>
<p>Fund/Division #: 1000-14120 Division Name: Cable Communications</p> <p>REDUCTIONS: # of FTEs: 1.5 A6000: \$131,502 A7000: \$0 TOTAL: \$131,502</p>	<p>CURRENT LEVEL OF SERVICE: Serves as the city's government television channel and source of all online video content including broadcasting of all city council and planning commission public meetings as well as functions as the back-up to the city's one audio visual employee. Glendale 11 is the city's most transparent form of communication and television continues to be how most people receive their news and information. Recently Glendale 11 transitioned its productions to increase online content with more local city coverage and increased planned coverage of commission meetings. Since launching a new push for online videos in May 2012, Glendale 11 has gained more than 35,000 online video views over four months, almost double the previous four months. Glendale 11 allows the city to reach citizens immediately and provides for those who cannot attend public meetings a way to participate in their government. More than 150,000 viewers watch Glendale 11 on television, while another 400,000 have viewed the city's online video content out of the total 5 million who have visited the city's websites.</p> <p>REDUCTION DESCRIPTION: Reduce 1.5 FTE's. (effective FY '14)</p> <p>RESULTING LEVEL OF SERVICE: The decrease in staffing will mean more live meeting coverage and fewer taped and edited shows such as interview talk shows. Glendale 11 will continue to primarily focus on council meetings and workshops, commission meetings, Mayor/Council programming and short, online and YouTube community stories and city news. Long form, in-depth content would be significantly reduced online and on the air.</p> <p>REQUIRED?: Not Required</p>

COMMUNICATIONS DEPARTMENT REDUCTIONS

<p>Fund/Division #: 1000-14110 Division Name: City-Wide Special Events</p> <p>REDUCTIONS: # of FTEs: 0.5 A6000: \$26,562 A7000: \$0 TOTAL: \$26,562</p>	<p>CURRENT LEVEL OF SERVICE: The Special Events Division currently has four FTEs, who are responsible for producing the City's seven signature festivals. Event production responsibilities include developing event site plans, creating policies and procedures, soliciting sponsorships and creating event-related revenue streams, negotiating contracts with external vendors and suppliers, hiring talent, supervising temporary production staff, managing event logistics, determining equipment and labor needs, preparing event site, etc. In addition, the division is responsible for management of the downtown holiday light display, which takes more than 3 months and 5,000 labor hours to install. Additional services/responsibilities include: planning and managing the 8-week Glendale Summer Band Concert Series; helping to coordinate downtown merchant driven events; attracting new events to Glendale; operating and managing City's Paid Parking Concession during festivals; and administering the City's Special Event Permit Application process.</p>
	<p>REDUCTION DESCRIPTION: Reducing the division's Special Event Coordinator position from a full-time employee to a part-time employee (.5). (effective no earlier than FY '14)</p>
	<p>RESULTING LEVEL OF SERVICE: The Special Event Coordinator serves as the vendor coordinator for the division. These responsibilities include putting together the annual vendor application program and then soliciting and recruiting vendors (food, crafts, commercial, etc.) to participate in City festivals. This entails researching reviewing hundreds of vendor applications each season and selecting those vendors that will be participating in the festivals. The coordinator also works with a third-party business to conduct background checks on each vendor. The Special Event Coordinator also serves as the point person for the 8-week Glendale Summer Band Concert Series. This entails creating the annual budget and approving/tracking expenses; coordinating weekly band rehearsals in May and June; and setting up for performances, among other duties. Since the position is being reduced to part-time, the duties will be restructured among staff.</p>
	<p>REQUIRED?: Not Required</p>



STAFF REPORT

To: **Horatio Skeete, Acting City Manager**
From: **Sam McAllen, Interim Executive Director Neighborhood and Human Services**
Item Title: **PROPOSED BUDGET REDUCTIONS AND REORGANIZATION STRUCTURES**
Requested Council Meeting Date: **12/18/2012**
Meeting Type: **Workshop**

ANALYSIS

The purpose of this report is to address the Neighborhood and Human Services Department's service impacts of the General Fund (GF) operating budget reductions totaling \$544,131 which include elimination of two vacant staff positions. These reductions will be implemented during the last six months of Fiscal Year (FY) 2013, with the full year ongoing impact of those reductions realized for FY 2014.

- **Eliminating One Deputy City Manager – \$203,552 Annual Savings**

Background: The Deputy City Manager position is responsible for providing leadership and direction to the Neighborhood and Human Services Department's (Code Compliance, Community Action Program, Community Revitalization, and Community Housing) 61 general and grant funded staff, overseeing a budget in excess of \$29 million dollars (general and other sources), serving on the City's management team and assisting the City Manager.

Rational: This position is vacant. Eliminating this position (1 FTE) and associated support funding will result in \$203,552 in annual savings. The Neighborhood and Human Services Department reorganized and under filled this vacancy to continue providing leadership and direction to staff and ensuring responsiveness to residents, staff, elected officials and city management.

- **Relocating Community Action Program – \$107,000 Annual Savings**

Background: The Community Action Program (CAP) helps residents become self-sufficient while they are experiencing a financial hardship or crisis. CAP provides direct services to low and moderate-income Glendale residents. Services include



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energy assistance payments, crisis assistance for families, and rent/mortgage assistance to prevent homelessness. CAP funding comes from a variety of sources including general funds, Arizona Department of Economic Security, Arizona Community Action Association, and Emergency Solutions Grant funds. CAP is currently located at Las Brisas Center, 5949 W. Northern Avenue, Suite 205, and met with 3,320 households in FY2012.

Rational: Relocating CAP offices and services to available space in Glendale City Hall will eliminate rent, utilities and related expenses producing an annual savings of \$107,000. This relocation will not impact the services provided by CAP nor the ability of CAP staff to provide services to Glendale residents. The relocation will bring additional resident traffic to City Hall as residents meet with CAP staff or attend workshops to learn about services, programs and eligibility requirements.

- **Reducing Neighborhood Program Funding – \$14,702 Annual Savings**

Background: Code Compliance offers a variety of programs that support the improvement and revitalization of Glendale's neighborhoods. These services include coordination of community volunteer/neighborhood improvement projects, providing support to 190+ registered neighborhood associations, development and distribution of neighborhood newsletters, operating a tool lending program, managing and coordinating with over 500 registered community volunteer organizations, supporting the Citizens Advisory Commission on Neighborhoods, coordination of neighborhood leader education, managing the city's free discount prescription card program, and supporting Zone A neighborhood residents with restricted event parking permits.

Rational: Four staff positions that provided direct neighborhood services through the Neighborhood Partnership Office were eliminated from the FY2013 budget. This staffing reduction directly decreased the amount of services the remaining staff can provide to our neighborhoods. The general fund reduction of \$14,702 eliminates funding for community/neighborhood leader recognition events, eliminates general funded neighborhood leader education programs, and will reduce supplies and materials provided to support community volunteer events. Staff will continue focusing on community volunteer/neighborhood improvement projects, improving neighborhood communications, assisting neighborhood associations, and providing staff support to the Citizens Advisory Commission on Neighborhoods.



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- **Reducing Public Housing Landscape Maintenance – \$39,200 Annual Savings**

Background: The City of Glendale owns and maintains three public housing complexes (Lamar Homes at 6100 W. Lamar Road, Glendale Homes at 5215 W. Ocotillo Road, and Cholla Vista Apartment Homes at 5320 W. Maryland Avenue) with a total of 155 apartments.

Rational: This reduction will not impact the number of available public housing units nor the Department's ability to provide safe and sanitary housing for Glendale families. This reduction will result in an annual savings of \$39,200 created by reduced watering of landscaping and reduced grounds maintenance including the elimination of street sweepers to sweep parking lots and driveways at all three public housing complexes. The Department will seek alternative funding to support future utilization of low water use, xeriscape, landscaping materials.

- **Eliminating One Code Compliance Inspector – \$81,641 Annual Savings**

Background: The Code Compliance Department provides neighborhood inspection services to maintain established city standards at privately owned properties throughout the city. During FY2012 Code Compliance opened 12,382 cases, proactively initiated 69% of all cases, and corrected violations at 228 properties using the Clean and Lien Program.

Rational: This position is vacant. Eliminating this position (1 FTE) will result in an annual savings of \$81,641. This will also reduce the total number of city code violations addressed throughout the city, will decrease the ability to address code violations proactively, and will increase response times when residents report possible code violations. The Department has already reorganized to accommodate eliminating this position.

- **Eliminating General Fund Support for Central Arizona Shelter Services – \$49,536 Annual Savings**

Background: The City of Glendale has supported Central Arizona Shelter Services (CASS) for 14 years by providing \$1,407,128 in general funds to support CASS providing emergency shelter services to persons identifying themselves as Glendale residents. CASS received an additional \$78,235 in support through CDBG and ESG funding in FY2012 which was approved by City Council. In addition to CASS, City Council approved \$124,210 in FY2012 CDBG funding to support other homeless assistance programs.



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Rational: This budget reduction will eliminate general fund support for CASS and will result in an annual savings of \$49,536. This reduction equates to 3% of CASS's Single Adult Emergency Shelter Operations budget for FY2012. CASS has been made aware of this proposed budget reduction and has been encouraged to continue requesting federal fund support through the City's Community Development Block Grant (CDBG) funding process. CASS management stated they will continue seeking alternative funding sources and will continue providing emergency shelter services to Glendale residents. During the City Council's October 30, 2012 Workshop meeting, Council provided direction to the Chairman of the Community Development Advisory Committee, CDAC, requesting that CDAC focus their FY2014 CDBG funding priorities on direct core services to Glendale residents including providing emergency shelter services and home delivered meals.

- **Eliminating General Fund Support for YWCA Home Delivered Meals – \$48,500 Annual Savings**

Background: The City of Glendale has supported the YWCA's home delivered meals program for 14 years by providing \$622,000 in general funds to the YWCA's Meals on Wheels Program. The YWCA received an additional \$46,618 in support of their congregate meals program through CDBG funding in FY2012 which was approved by City Council. In addition to the YWCA, City Council approved \$67,338 in FY2012 CDBG funding to support other food services (meal delivery and emergency food) for residents.

Rational: This budget reduction will eliminate general fund support for the YWCA's home delivered meals program and will result in an annual savings of \$48,500. This reduction equates to 9% of the YWCA's Meals on Wheels Program budget for FY2012. YWCA has been made aware of this proposed budget reduction and has been encouraged to continue requesting federal fund support through the City's Community Development Block Grant (CDBG) funding process. YWCA management stated they will continue seeking alternative funding sources so they can continue providing home delivered meals to Glendale residents. During their October 30, 2012 Workshop meeting, Council provided direction to the Chairman of the Community Development Advisory Committee, CDAC, requesting that CDAC focus their FY2014 CDBG funding priorities on direct core services to Glendale residents including providing emergency shelter services and home delivered meals.

N'HOOD & HUMAN SVCS DEPARTMENT REDUCTIONS

	FTE's	A6000	A7000	TOTAL
Totals	2	\$278,999	\$265,132	\$544,131

<p>Fund/Division #: 1000-15510 Division Name: CD Deputy City Manager</p> <p>REDUCTIONS: # of FTEs: 1 A6000: \$197,358 A7000: \$6,194 TOTAL: \$203,552</p>	<p>CURRENT LEVEL OF SERVICE: This position provides leadership and administrative direction to the Neighborhood and Human Services Department (Code Compliance, Community Housing, Community Revitalization, and Community Action Program) directing a staff of 61 employees and overseeing a budget (general fund and other sources) in excess of \$29.7 million.</p> <p>REDUCTION DESCRIPTION: Elimination of one (1) Deputy City Manager position - currently vacant.</p> <p>RESULTING LEVEL OF SERVICE: Alternatives include underfilling the position with an Executive Director, restructuring, or assigning the Neighborhood and Human Services Department to an existing Executive Director.</p> <p>REQUIRED?: Not Required</p>
<p>Fund/Division #: 1000-14420 Division Name: CAP Local Match</p> <p>REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$107,000 TOTAL: \$107,000</p>	<p>CURRENT LEVEL OF SERVICE:</p> <p>REDUCTION DESCRIPTION: Relocate Community Action Program to space in City Hall thereby eliminating rent payments and associated costs.</p> <p>RESULTING LEVEL OF SERVICE:</p> <p>REQUIRED?:</p>
<p>Fund/Division #: 1000-15015 Division Name: Neighborhood Partnership</p> <p>REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$14,702 TOTAL: \$14,702</p>	<p>CURRENT LEVEL OF SERVICE: Neighborhood Partnership coordinated 75 volunteer projects in FY2012, provides support to registered neighborhood associations, assists with providing neighborhood newsletters, operates a tool lending program, and provides community education and recognition for neighborhood leaders.</p> <p>REDUCTION DESCRIPTION: The identified general fund reductions include the elimination of two neighborhood leader celebration/recognition events, elimination of neighborhood leader education programs, eliminate use of Human Resources volunteer tracking system and a 50% reduction in supplies and materials provided to support neighborhood/community volunteer projects.</p> <p>RESULTING LEVEL OF SERVICE: Neighborhood Partnership will continue assisting neighborhood associations with formation and development, newsletter/communication efforts, assisting with community and property clean up efforts, and coordinating volunteer opportunities that benefit Glendale neighborhoods.</p> <p>REQUIRED?: Not Required</p>

N'HOOD & HUMAN SVCS DEPARTMENT REDUCTIONS

<p>Fund/Division #: 2500-17910 Division Name: Community Housing</p> <p>REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$39,200 TOTAL: \$39,200</p>	<p>CURRENT LEVEL OF SERVICE: The City of Glendale owns and operates three public housing complexes with a total of 155 public housing units</p> <p>REDUCTION DESCRIPTION: The identified reductions include reducing watering and maintenance of existing landscaping, reducing the use of stipend workers, reducing office supplies and elimination of street sweeping of parking lots and driveways at the city's three public housing complexes. The reduction in Public Housing (Fund 2500) will result in lower transfer amount from General Fund to Housing.</p> <p>RESULTING LEVEL OF SERVICE: The identified reductions do not impact the available number of public housing units, however they do impact the maintenance of all three public housing complexes. The Housing Division will seek alternative funding to support future use of low water use/xeriscape landscaping.</p> <p>REQUIRED?: Not Required</p>
<p>Fund/Division #: 1000-14410 Division Name: Code Compliance</p> <p>REDUCTIONS: # of FTEs: 1 A6000: \$81,641 A7000: \$0 TOTAL: \$81,641</p>	<p>CURRENT LEVEL OF SERVICE: Code Compliance Inspectors provide neighborhood inspection services on a proactive and complaint basis to maintain established city standards that preserve and promote the health, safety, and living environments of our community and neighborhoods. During FY2012, the Code Compliance Department managed 12,382 cases, proactively initiated 8,582 cases and resolved 12,786 cases.</p> <p>REDUCTION DESCRIPTION: Elimination of one (1) Code Compliance Inspector position - currently vacant.</p> <p>RESULTING LEVEL OF SERVICE: During FY2012, Code Compliance Inspectors managed an average of 1,300 cases, 903 proactive cases, and resolved 1,346 cases per inspector. The elimination of one (1) Code Compliance Inspector is expected to reduce Code Compliance cases proportionally. The Department will pursue alternative funding to support Code Compliance activities in neighborhoods.</p> <p>REQUIRED?: Yes, by City Code</p>
<p>Fund/Division #: 1000-15010 Division Name: Community Revitalization</p> <p>REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$49,536 TOTAL: \$49,536</p>	<p>CURRENT LEVEL OF SERVICE: Central Arizona Shelter Services (CASS) receives \$49,536 in general funds and provides emergency shelter services to 259 persons annually identifying themselves as Glendale residents.</p> <p>REDUCTION DESCRIPTION: Elimination of general fund support of Central Arizona Shelter Services.</p> <p>RESULTING LEVEL OF SERVICE: General funds provided to Central Arizona Shelter Services would be eliminated and would reduce their ability to provide homelessness assistance. CASS currently receives \$78,235 in Community Development Block Grant (CDBG) and Emergency Shelter Grant (ESG), administered by the Neighborhood and Human Services Department's Community Revitalization Division, which supports emergency shelter services. Federal funding or grants may be available to provide additional support to CASS.</p> <p>REQUIRED?: Not Required</p>

N'HOOD & HUMAN SVCS DEPARTMENT REDUCTIONS

Fund/Division #: 1000-15010 Division Name: Community Revitalization	CURRENT LEVEL OF SERVICE: The YWCA receives \$48,500 in general funds and provides home delivery of meals to 473 Glendale residents.
REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$48,500 TOTAL: \$48,500	REDUCTION DESCRIPTION: Elimination of general fund support for the YWCA's meal delivery program.
	RESULTING LEVEL OF SERVICE: General funds provided to the YWCA would be eliminated. The YWCA receives \$46,618 in CDBG funding to support their congregate meals program. Federal funding or grants may be available to support a meal delivery program.
	REQUIRED?: Not Required



STAFF REPORT

To: **Horatio Skeete, Acting City Manager**
From: **Stuart Kent, Executive Director, Public Works**
Item Title: **PROPOSED BUDGET REDUCTIONS AND REORGANIZATION STRUCTURES**
Requested Council Meeting Date: **12/18/2012**
Meeting Type: **Workshop**

ANALYSIS

This report provides a summary of proposed budget reductions for the general fund portion of the Public Works Department. The Public Works Department includes Field Operations and Engineering. These reductions will be implemented during the last six months of Fiscal Year (FY) 2013, with the full year ongoing impact of these reductions realized for FY 2014. The areas of operation that are affected include the Engineering Department, Facilities Management, Custodial Services, Warehouse operations, Glendale Memorial Park cemetery, the downtown beautification program, graffiti removal and public works administration. The reductions include the elimination of 22 full time general fund positions and related expenses resulting in savings in FY13 of \$239,244 and savings in FY14 of \$1,014,359. The proposed savings are generated through a combination of eliminating some services all together, reduction of other services, and contracting out of other services at a lower cost.

- The elimination of 15 custodial positions (12 are in the general fund, 2 are in the general fund supported Glendale Regional Public Safety Training Center (GRPSTC) and 1 is in the Water Services department) and all custodial services city wide would be contracted out at an estimated annual savings of \$280,729 to the general fund. Of the 15 positions, three are currently vacant (one in water services, and two in the general fund), one resignation will occur before the end of 2012, and the remaining 11 are filled. Custodial service levels would not change as a result of this recommended privatization of service.
- The elimination of two building maintenance worker positions in the general fund. These positions support the maintenance and repair of city buildings including plumbing, electrical and heating ventilation and air conditioning systems (HVAC). Both positions are currently vacant. This will bring the total number of building maintenance worker positions to 9 from 16 in FY12. Preventative maintenance on systems will be deferred, response to non-emergencies will increase by up to five



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additional business days, and any tenant improvements or major building repairs will have to be outsourced. The estimated savings of eliminating the two positions is \$165,231.

- The transferring of the two graffiti removal positions in the city from the general fund to the Highway User Revenue Funds (HURF). The removal of graffiti in the right of way is an eligible expense for the HURF. The city currently removes over 1,300 occurrences of graffiti from the public right of way every month. Currently over 90% of all graffiti removal occurs in the right of way. The total savings is \$161,092. Appropriation associated with this GF reduction will be added to the HURF budget on an ongoing basis.
- Reduced lighting of the downtown parking garage. The lighting adjustments started in August of this year and we have not received any complaints or concerns about lighting levels in the garage. The reduction in lighting focuses on the ground level and upper levels of the garage. The lower level will continue to be illuminated as it has minimal exposure to natural lighting. The reduction in lighting will generate \$18,000 in ongoing annual savings.
- Eliminate one vacant senior civil engineering position. This position is responsible for assisting in design of water and waste water projects and completing project management and coordination of projects primarily in the Water Services department. After consulting with the acting City Engineer and the Water Services Executive Director the current and anticipated capital improvement projects for water services can be absorbed by the remaining project management staff in Engineering and any design services the position may have done can be done by engineering consultants. As the position's functions are charged back to the department serviced, the savings in salary and benefits of \$101,602 are being offset by a reduction of \$101,602 to the chargebacks that the Engineering department generates. The total savings is therefore \$0.
- Eliminate two positions in the downtown beautification and promotion program. These positions are the two non-sworn security guards that patrol the downtown area. Included in this proposed budget reduction is the elimination of power washing of sidewalks in the downtown area that occurs annually and the elimination of approximately \$19,000 annually in spending for downtown promotional activities. Specifically this includes small give away tokens as well as downtown banners, advertising and other promotional activities. Total reduction is \$136,504.



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- Eliminate one secretarial position at the city warehouse. The duties of the position will be absorbed by the remaining warehouse staff and by administrative staff in Public Works. The total savings is \$54,627.
- Eliminate one vacant position at the City cemetery. Currently the facility is open Monday through Saturday and litter and trash are removed daily. With the elimination of the position, sanitation and streets staff will assist the remaining staff person with the approximately 50 internments that are completed annually. In addition, burials will be restricted to only Wednesdays through Saturdays. Litter collection and maintenance will continue to be completed five days a week instead of seven days a week. The total savings is \$52,922.
- Eliminate one deputy director position that is anticipated to be vacated in January 2013. Currently there are two deputy directors who oversee five operating divisions (Sanitation, Landfill, Facilities management, Equipment management and Street Maintenance). The Public Works Executive Director and the remaining Deputy Director will share the management of these operations. Public works currently consists of over 200 employees. The total savings is \$116,000.
- Eliminate the operation of the materials testing lab and converting the three staff into engineering inspector positions. The materials testing lab, located at the City Airport, conducts soil and materials testing for capital projects and infrastructure that will be in the public right of way. Through the dramatic reduction in the city's capital program over the past several years and the demand for inspection services that have occurred for such projects as Northern Parkway, Grand Avenue improvements and dry utility work, closing the lab and reassigning the staff to projects that will generate cost recovery is recommended. Staff will look at leasing out the lab space to other commercial interests to generate revenue. The annual savings by closing the lab is \$29,254.

PUBLIC WORKS DEPARTMENT REDUCTIONS

	FTE's	A6000	A7000	TOTAL
Totals	22	\$1,100,447	(\$86,088)	\$1,014,359

<p>Fund/Division #: 1000-13461 Division Name: Downtown Parking Garage</p> <p>REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$18,000 TOTAL: \$18,000</p>	<p>CURRENT LEVEL OF SERVICE: Parking garage is open continuously.</p> <p>REDUCTION DESCRIPTION: Decrease lighting levels during daytime in upper levels.</p> <p>RESULTING LEVEL OF SERVICE: Landscaping around the garage would be decreased to drought resistant plants only. Daylight hours would only have ingress lighting on main level and lower level security lighting.</p> <p>REQUIRED?: Not Required</p>
<p>Fund/Division #: 1000-13450 Division Name: Facilities Management</p> <p>REDUCTIONS: # of FTEs: 1 A6000: \$61,621 A7000: \$32,500 TOTAL: \$94,121</p>	<p>CURRENT LEVEL OF SERVICE: Building maintenance functions include the preventative maintenance of HVAC equipment in accordance with manufacturer guidelines</p> <p>REDUCTION DESCRIPTION: Deletion of HVAC/plumber position.</p> <p>RESULTING LEVEL OF SERVICE: All repairs would be prioritized, backlog of repairs would increase. Non-essential and safety related items would possibly not be completed. Plumbing service would be required to be contracted out.</p> <p>REQUIRED?: Not Required</p>
<p>Fund/Division #: 1000-13730 Division Name: Design Division</p> <p>REDUCTIONS: # of FTEs: 1 A6000: \$101,602 (Salary) A6000: (\$101,602) (Chargeback) TOTAL: \$0</p>	<p>CURRENT LEVEL OF SERVICE: The senior civil engineer who worked primarily on water/wastewater projects resigned Oct. 30. After consultation with the acting city engineer and the executive director for water services, it was determined that this position can be eliminated</p> <p>REDUCTION DESCRIPTION: Project management duties will be reassigned among four other staff in Engineering, but with the reduced amount of capital improvement projects in the water services department the position can be eliminated. The cost of the position is \$101,602 and it is currently charged back to CIP. The net effect of this reduction is zero on the General Fund.</p> <p>RESULTING LEVEL OF SERVICE: Reassignment of projects will be shared among four other staff in Engineering. Work that was being designed in house by the Sr. Civil Engineer will be outsourced to qualified engineering firms at a slightly higher cost, but that will be covered in the capital budget project cost as with most projects</p> <p>REQUIRED?: not Required</p>

PUBLIC WORKS DEPARTMENT REDUCTIONS

<p>Fund/Division #: 1000-13460 Division Name: Custodial Services</p> <p>REDUCTIONS: # of FTEs: 12 A6000: \$539,144 A7000: (\$258,415) TOTAL: \$280,729</p>	<p>CURRENT LEVEL OF SERVICE: Provide custodial services to all city buildings and exterior areas.</p> <p>REDUCTION DESCRIPTION: Outsource cleaning of office and common space, special events and other requests would no longer be supported. In the General Fund convert \$258,415 of salary saving to contractual.</p> <p>Other funds affected as follows: Water and Sewer Fund will eliminate one position and convert \$41,967 of salary savings to contractual. GRPST fund eliminate two positions and convert \$59,156 salary savings to contractual.</p> <p>RESULTING LEVEL OF SERVICE: One day porter would be available for all city buildings, remaining services would be completed during evening hours.</p> <p>REQUIRED?: Yes, by Govn't Regulation</p>
<p>Fund/Division #: 1000-16040 Division Name: Downtown Beaut. & Promotion</p> <p>REDUCTIONS: # of FTEs: 2 A6000: \$95,450 A7000: \$41,054 TOTAL: \$136,504</p>	<p>CURRENT LEVEL OF SERVICE: Downtown beautification and promotion includes the assignment of two non sworn downtown patrol officers, annual</p> <p>REDUCTION DESCRIPTION: Delete program - cut 2 security officers, funding for powerwashing sidewalks and marketing of downtown events.</p> <p>RESULTING LEVEL OF SERVICE: Staffing would not be available for reception desk in first floor lobby of city hall.</p> <p>REQUIRED?: Not Required</p>
<p>Fund/Division #: 1000-13800 Division Name: Materials Testing</p> <p>REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$29,254 TOTAL: \$29,254</p>	<p>CURRENT LEVEL OF SERVICE: Provide lab tests for CIP projects and private development projects</p> <p>REDUCTION DESCRIPTION: Close city lab; CIP projects will contract testing, private development to provide test results to city from private lab test</p> <p>RESULTING LEVEL OF SERVICE: Testing will be more expensive; private development will have burden of private test costs</p> <p>REQUIRED?: Yes, by State/Fed Law</p>
<p>Fund/Division #: 1000-11370 Division Name: Materials Control Warehouse</p> <p>REDUCTIONS: # of FTEs: 1 A6000: \$54,627 A7000: \$0 TOTAL: \$54,627</p>	<p>CURRENT LEVEL OF SERVICE: Warehouse is open weekdays for deliveries and orders.</p> <p>REDUCTION DESCRIPTION: Decrease staffing, reduce service hours and eliminate front desk support</p> <p>RESULTING LEVEL OF SERVICE: Warehouse would only accept deliveries between 8am and 12pm Monday to Friday, and would limit inventory.</p> <p>REQUIRED?: Not Required</p>

PUBLIC WORKS DEPARTMENT REDUCTIONS

<p>Fund/Division #: 1000-13440 Division Name: Graffiti Removal</p> <p>REDUCTIONS: # of FTEs: 2 A6000: \$113,698 A7000: \$47,394 TOTAL: \$161,092</p>	<p>CURRENT LEVEL OF SERVICE: Graffiti Removal crew is generally able to remove graffiti within 48 hours during the week. No weekend service is provided.</p> <hr/> <p>REDUCTION DESCRIPTION: Transfer two graffiti removal positions and operating cost from the general fund to the Highway User Revenue Funds (HURF). The removal of graffiti in the right of way is an eligible expense for the HURF. The city currently removes over 1,300 occurrences of graffiti from the public right of way every month. Currently over 90% of all graffiti removal occurs in the right of way. Appropriation associated with this GF reduction will be added to the HURF budget on an ongoing basis.</p> <hr/> <p>RESULTING LEVEL OF SERVICE: No reduction in level of service</p> <hr/> <p>REQUIRED?: Not Required</p>
<p>Fund/Division #: 1000-13420 Division Name: Cemetery</p> <p>REDUCTIONS: # of FTEs: 1 A6000: \$52,922 A7000: \$0 TOTAL: \$52,922</p>	<p>CURRENT LEVEL OF SERVICE: The cemetery is open daily, with burials permitted weekday and Saturday mornings. Litter and trash are removed daily.</p> <hr/> <p>REDUCTION DESCRIPTION: Decrease staffing from 2 to 1.</p> <hr/> <p>RESULTING LEVEL OF SERVICE: This positions is currently vacant. Burials are allowed on week days only and need to be supplemented by other Field Operations staff. This may hinder the sales of cemetery plots. Litter and trash would not be serviced on weekends or holidays.</p> <hr/> <p>REQUIRED?: Not Required</p>
<p>Fund/Division #: 1000-13410 Division Name: Field Operations Admin.</p> <p>REDUCTIONS: # of FTEs: 1 A6000: \$116,000 A7000: \$0 TOTAL: \$116,000</p>	<p>CURRENT LEVEL OF SERVICE: The Deputy Director oversees 3 operational divisions within the Field Operations group.</p> <hr/> <p>REDUCTION DESCRIPTION: Deletion of Deputy Director position - Oversees Facilities Management, Street Maintenance and Equipment Management</p> <hr/> <p>RESULTING LEVEL OF SERVICE: Reduce the department's ability to manage projects, review plans for compliance, manage the city's overall electricity budget.</p> <hr/> <p>REQUIRED?: Not Required</p>
<p>Fund/Division #: 1000-13450 Division Name: Facilities Management</p> <p>REDUCTIONS: # of FTEs: 1 A6000: \$66,985 A7000: \$4,125 TOTAL: \$71,110</p>	<p>CURRENT LEVEL OF SERVICE: Facilities responds to calls for service within 24 hours for urgent requests, and within a week for other requests. Preventative maintenance is performed on HVAC systems routinely.</p> <hr/> <p>REDUCTION DESCRIPTION: Deletion of one vacant HVAC position. This would reduce the ability to perform preventative maintenance services, and will result in more failures. Air conditioning systems in particular will not be dependable as fewer staff would be available to respond to repairs or failures.</p>

PUBLIC WORKS DEPARTMENT REDUCTIONS

RESULTING LEVEL OF SERVICE:

Preventative maintenance would not be completed as staff would be in a failure maintenance mode, responding only to breakdowns. Older systems would be less reliable as components could not be rebuilt during winter months. Failure to clean and replace filters will increase indoor air quality concerns. Routine request for services may take up to several months to be completed, and would be prioritized based on safety needs. Vacant buildings would be supplied base electricity and security services only.

REQUIRED?:

Not Required

Internal Services

FY 2014 Reductions

Excludes A7500 Series Accounts

(\$'s in Thousands) Department Name	FY 2014 Full Year Reduction Amount (Effective Mid-Year FY 2013)				a			b	c	d = b - c	(d - a) / a	- c / b
	A6000	A7000	Rev Loss	Total	Budgeted FTE's			FTE Reduction	Projected FY 2014 FTE's	Projected FY09-FY14 % Change	Projected FY13-FY14 % Change	
					FY 2009	FY 2013	FY 2013 Amd	FY13/14				
Financial Services	\$221	\$203	\$0	\$424	50.5	32.0	32.0	3.0	29.0	-43%	-9%	
HR & Risk Mgt	\$323	\$23	\$0	\$346	30.0	17.8	17.8	3.0	14.8	-51%	-17%	
Tech. & Innovation	\$170	\$15	\$0	\$185	29.0	28.0	28.0	2.0	26.0	-10%	-7%	
Non-Departmental	\$0	\$134	\$0	\$134				0.0	0.0			
Total	\$715	\$375	\$0	\$1,089	109.5	77.8	77.8	8.0	69.8	-36%	-10%	



STAFF REPORT

To: **Horatio Skeete, Acting City Manager**
From: **Sherry Schurhammer, Financial Services Executive Director**
Item Title: **PROPOSED BUDGET REDUCTIONS AND REORGANIZATION STRUCTURES**
Requested Council Meeting Date: **12/18/2012**
Meeting Type: **Workshop**

ANALYSIS

The purpose of this report is to address the Financial Services Department's service impacts of the General Fund (GF) operating budget reductions. These reductions will be implemented during the last six months of Fiscal Year (FY) 2013, with the full year ongoing impact of those reductions realized for FY 2014.

- 3 filled FTEs to be eliminated with 1 FTE in the GF (collections) and 2 FTEs in the water/sewer fund. All three employees were laid off in November 2012.

The city's collection of past due account was converted to a third party collection agency during the last few months of calendar year 2012. This means the initial attempt to collect past due accounts [water/sewer, sanitation collection, landfill services and city sales tax] will be addressed by the third party collection agency.

- 1 vacant FTE to be eliminated (purchasing).

The city's purchasing staff will be reduced from 3 FTEs to 2 FTEs. The overall service impact will be realized in delayed turn-around times for developing, putting out to bid and completing bid awards for all types of solicitations for departments across the city. Requests from departments will be handled on a first-in, first-out basis with the exception of urgent health, safety and welfare related solicitations. Consequently, departments will have to plan at least a year in advance for new solicitations, including rebidding expired contracts with no more options to renew. Further, departments will be expected to develop and implement lower-risk solicitations such as low dollar procurements and many commodity or price based procurements.



STAFF REPORT

Existing staff in those departments will have to pick up these additional duties. Contract amendments are not likely to be processed prior to expiration dates if departments are not able to address in advance. More use of co-operative contracts with the state and other governmental agencies, when possible, is likely.

- 1 filled FTE to be eliminated (accounts/payable).

With this reduction the accounts/payable staff will be reduced to 1 FTE. The resulting service impacts are as follows:

- All departments will be responsible for inputting in PeopleSoft the initial request for payment. While many departments do this, there are several that do not so staff in those departments will have to absorb this additional workload.
 - Check runs will be done every other week rather than weekly. If departments fail to submit invoices for payment to accommodate this change, then late fees may be incurred, thus increasing the city's cost. When the remaining accounts payable employee is on vacation or out sick, a staff person from another area will have to be reassigned to do the work along with his/her current workload, thus incurring more delay.
 - Rush checks will not be processed.
- Credit card fees the city currently absorbs when a customer pays a bill will be passed on to the customer, thus increasing the cost to the customer. This change will be accomplished either by directly passing the fee along to the customer or using a third party administrator for acceptance of credit card payments.

FINANCIAL SERVICES DEPARTMENT REDUCTIONS

	FTE's	A6000	A7000	TOTAL
Totals	3	\$221,363	\$202,950	\$424,313

<p>Fund/Division #: 1000-11340 Division Name: License/Collection</p> <p>REDUCTIONS: # of FTEs: 1 A6000: \$54,673 A7000: \$0 TOTAL: \$54,673</p>	<p>CURRENT LEVEL OF SERVICE: Currently delinquent business accounts are sent to a collection representative who attempts to collect on outstanding debt through phone calls and letters. Once attempts are unsuccessful and, if applicable, a lien is placed. This representative also handles bankruptcy accounts.</p> <hr/> <p>REDUCTION DESCRIPTION: Reduction in staffing level - Collections. 3 total FTE's will be eliminated, 1 of which is in the GF. The other two eliminated FTE's are in the water/sewer fund.</p> <hr/> <p>RESULTING LEVEL OF SERVICE: The City's initial immediate attempts to collect city debt would be eliminated and instead submitted to a third party collection agency for collection, which the initial, immediate attempt to collect would be delayed. Monitoring of bankruptcies and the placing and monitoring of liens would be affected (Liens expire after 5 yrs and would need to be updated).</p> <hr/> <p>REQUIRED?: Not Required</p>
<p>Fund/Division #: 1000-11360 Division Name: Materials Management</p> <p>REDUCTIONS: # of FTEs: 1 A6000: \$120,058 A7000: \$0 TOTAL: \$120,058</p>	<p>CURRENT LEVEL OF SERVICE: Three (3) full time staff manages all city procurement activities. This includes all professional and non-professional services. Current statistical information includes 128 term contracts, and last FY staff processed 96 new solicitations. On average Materials Management (MM) processes 950 purchase orders.</p> <hr/> <p>REDUCTION DESCRIPTION: Reduction of one (1) staff person</p>

FINANCIAL SERVICES DEPARTMENT REDUCTIONS

	<p>RESULTING LEVEL OF SERVICE: With a staff of two, services currently offered by MM would be significantly reduced in the following 5 areas: Competitive Bidding Process: 1. Delays in solicitations processing will occur. Department requests will be handled on a first-in-first-out basis. With the exception of health, safety, and welfare relating to the general public or employees which will always be processed before all other work. This will require city departments to plan 90 days out prior to needing their specific procurement to be completed (timeline does not include Council approval). 2. MM will be limited as to the number of contracts it can conduct & negotiate, thereby reducing cost savings or cost avoidance. 3. Low dollar procurements (under \$50K). Departments would be required to process their own Request for Quotes. 4. Procurements that are over \$50K and commodity or price based contracts, such as vehicles, office supplies, computers, etc., will also need to be delegated to the Departments. 5. MM would need to train those individuals handling procurements on behalf of the city to ensure the integrity of the process is maintained. 6. The use of co-operative contracts with the state or other governmental entities will need to be increased to ensure that the city receives the most competitive pricing. Contract Amendments: 1. If nothing changes with the current contract amendment process, contract amendments will not get processed prior to the expiration date. a. Research and documentation that the Legal department is requiring of MM to put together prior to the extension of the contract would cease. b. MM should be delegated the authority to extend contracts independent of the Legal Department, when nothing but an extension is taking place. c. Backlog of missing contract amendments that the City Clerk has requested to be sent to them will not occur. MM will provide missing amendments on those contracts that are currently being amended and had previously gone through the City Clerk. Sole Source, Emergency and Special Procurements: 1. Sole source, emergency and special procurements should still be managed to be approved by MM. MM would communicate back to the requesting department the approval/disapproval or if additional information is required. Requisition Processing: 1. Larger departments will need to be given delegation of authority to process their own requisitions. Similar to what</p>
	REQUIRED?:
Fund/Division #: 1000-11390 Division Name: Merchant Fees REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$200,000 TOTAL: \$200,000	<p>CURRENT LEVEL OF SERVICE: The City pays credit card merchant fees on all transactions involving a credit card.</p> <p>REDUCTION DESCRIPTION: Pass the merchant fees onto the user and/or using a third party administrator for our credit card program</p> <p>RESULTING LEVEL OF SERVICE: Potential reduction in revenue due to citizens not willing to pay the additional fees (merchant fees) and are/or unable to pay with cash, check, etc. due to insufficient funds.</p> <p>REQUIRED?: Not Required</p>

FINANCIAL SERVICES DEPARTMENT REDUCTIONS

<p>Fund/Division #: 1000-11320 Division Name: Accounting Services</p> <p>REDUCTIONS: # of FTEs: 1 A6000: \$46,632 A7000: \$0 TOTAL: \$46,632</p>	<p>CURRENT LEVEL OF SERVICE: Accounts Payable: 1. Weekly check runs. 2. Rush checks. 3. Account Specialist enters AP for departments not using control groups.</p>
	<p>REDUCTION DESCRIPTION: Reduction in staffing level - Accounts Payable</p>
	<p>RESULTING LEVEL OF SERVICE: Accounts Payable: 1. Moving from weekly to bi-weekly check runs would require the departments to be responsible for processing invoices in a timely manner to ensure the invoices are included in the bi-weekly check run. Invoices not submitted in time for the current check run would be included in the following bi-weekly check run. If invoices are not submitted in a timely manner the City may incur late fees and the possibility a vendor may cease services until paid.</p> <p>2. Rush checks would no longer be accepted. The departments would be responsible for contracting with vendors who offer 30-day terms instead of "Due Upon Receipt" to allow the invoice to be processed within the bi-weekly check run timeline and eliminate a rush check. This may result in limiting the City's scope of vendors due to the required payment terms. In addition to a limited scope, if the departments do not process their invoices in a timely manner to comply with the bi-weekly check run timeline, late payments to vendors may result in late fees and the possibility a vendor may cease services until paid.</p> <p>3. All departments would be responsible for their own accounts payable input through control groups. Training would be required to transition the departments to control groups and they may have an added burden to an already lean staff.</p>
	<p>REQUIRED?: Not Required</p>
<p>Fund/Division #: 1000-11610 Division Name: Budget & Research</p> <p>REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$2,950 TOTAL: \$2,950</p>	<p>CURRENT LEVEL OF SERVICE: The non-salary budget (A7000 series) used to support the current levels of services performed will be reduced further. Note, budget staff was reduced from 6 to 4 FTEs w/ previous reductions.</p>
	<p>REDUCTION DESCRIPTION: A 15% reduction in the overall Non-Salary (A7000) budget related to professional development, office supplies, memberships & subscriptions, etc.</p>
	<p>RESULTING LEVEL OF SERVICE: Discretionary funding is reduced but the core non-salary (A7000) budget is retained for ongoing operations (i.e. equipment management, postage, duplicating charges, etc.).</p>
	<p>REQUIRED?: Not Required</p>



STAFF REPORT

To: **Horatio Skeete, Acting City Manager**
From: **Jim Brown, Interim HR and Risk Mgt Exec. Director**
Item Title: **PROPOSED BUDGET REDUCTIONS AND REORGANIZATION STRUCTURES**
Requested Council Meeting Date: **12/18/2012**
Meeting Type: **Workshop**

ANALYSIS

The purpose of this report is to address the HR and Risk Management Department service impacts of the General Fund (GF) operating budget reductions. These reductions will be implemented during the last six months of Fiscal Year (FY) 2013, with the full year ongoing impact of those reductions realized for FY 2014.

- Reduce professional and contractual line item in the Benefits Division by \$5,000. This line item is reserved for engaging professional services in the course of administering our benefits programs. The result of this reduction will be minimal since we have a negotiated an amount in our current contract with Blue Cross that can be used for professional service purposes.
- Reduce staff professional development line item by \$3,500 and the professional memberships line item by \$500 in the HR Administration Division. These line items are reserved for the professional development and professional memberships of HR and Risk staff. The result of this reduction will require HR and Risk staff to pay for their own professional development in order to retain their certifications and reduce the professional organization memberships staff can participate in and draw resources from.
- Reduce the line supplies line and office supplies line items in the HR Administration Division by a total of \$7,000. These line items provide for office necessities such as ink, paper, writing materials, as well as fax, copier and other office equipment maintenance contracts. . The result of this reduction will cause HR and Risk staff to reduce the amount of printed paper used, staff has revised processes and created new systems to reduce printed paper significantly in the course of doing business. It may also cause delay in services should HR experience issues with office equipment.



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- Reduce employee physicals in the Employment Services Division by \$1,000. The result of this reduction may cause the departments hiring employees in safety sensitive or CDL positions to pay for the required employee physicals or drug tests. These can run approximately \$150 each.
- Reduce advertising for job openings in the Employment Services Division by \$500. This area has previously been reduced and should this funding be exhausted departments may need to fund advertising necessary to fill any critical vacancies.
- Reduce professional and contractual amounts in the Employment Services Division by \$2,500. This reduction will result in the inability to utilize outside consultants on difficult to fill positions and will reduce funding available for the Volgistics system which houses all the information for volunteers for the city. The impact could mean departments will have to track their own volunteers and provide funding for any circumstance that may require an external recruiter to fill a vacancy.
- Reduce 1 vacant FTE in the Compensation Division. HR has been restructured to absorb the duties of this FTE with existing staff.
- Reduce employee training and development by \$1,200 in the Organizational Development Division. This reduction will impact ability to produce any new hire orientation materials as well as the GLAD training program materials which have already been significantly reduced.
- Reduce 1 FTE in the Organizational Development Division. Currently this FTE is filled, however a vacancy will be created at the end of December that will result in no employees being impacted by this FTE reduction. The elimination of this FTE will result in slower service response time in HR services.
- Return vehicles utilized for Risk Management Division resulting in a \$1,700 reduction in this division. The impact will be slower response time by Risk staff when property or injury incidents occur.
- Reduce 1 recently vacated FTE in the Risk Management Division. The Risk Division and existing HR staff will absorb the additional duties created by this vacancy, however ability to provide timely service to resolve claims issues will be diminished.

HR & RISK MGT DEPARTMENT REDUCTIONS

	FTE's	A6000	A7000	TOTAL
Totals	3	\$323,003	\$22,900	\$345,903

Fund/Division #: 1000-11010 Division Name: Risk Management/Safety REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$1,700 TOTAL: \$1,700	CURRENT LEVEL OF SERVICE: Risk utilizes two City vehicles to respond to property damage incidents across the City REDUCTION DESCRIPTION: Return these vehicles and utilize the city's motor pool to respond to incidents as needed. RESULTING LEVEL OF SERVICE: Could result in a slower Risk Mgt response time when incidents occur. REQUIRED?: Not Required
Fund/Division #: 1000-11020 Division Name: Benefits REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$5,000 TOTAL: \$5,000	CURRENT LEVEL OF SERVICE: This is the professional & contractual line item utilized to engage professional services in the course of administering our benefits programs REDUCTION DESCRIPTION: Reduce Professional & Contractual by \$5,000 leaving approximately \$2,500 left for this area as needs arise RESULTING LEVEL OF SERVICE: Could result in inability to obtain professional services as needed to assist in the administration of benefits programs REQUIRED?: Not Required
Fund/Division #: 1000-11030 Division Name: Human Resources Administration REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$3,500 TOTAL: \$3,500	CURRENT LEVEL OF SERVICE: This line item is for the professional development of HR and Risk Staff. REDUCTION DESCRIPTION: Reduce professional development by \$3,500 leaving approximately \$1,000 for maintaining certifications and staff development RESULTING LEVEL OF SERVICE: Reduction in ability to develop staff and maintain certifications REQUIRED?: Not Required
Fund/Division #: 1000-11030 Division Name: Human Resources Administration REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$3,000 TOTAL: \$3,000	CURRENT LEVEL OF SERVICE: This line item is for line supplies such as paper, pens, etc... REDUCTION DESCRIPTION: Reduce line supplies by \$3,000 leaving approximately \$4,300 for the remainder of the year RESULTING LEVEL OF SERVICE: Reduction in line supplies may impact HR's ability to have office necessities such as paper, ink, writing materials, etc.... REQUIRED?: Not Required

HR & RISK MGT DEPARTMENT REDUCTIONS

Fund/Division #: 1000-11030 Division Name: Human Resources Administration REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$4,000 TOTAL: \$4,000	CURRENT LEVEL OF SERVICE: This line item is for office equipment contracts for repair of copiers, faxes, etc... REDUCTION DESCRIPTION: Reduce office supplies by \$4,000 leaving approximately \$10,700 for coverage should office equipment need repair, contract fees for maintenance, etc... RESULTING LEVEL OF SERVICE: Reduction in office supplies may impact HR's copier, fax and office equipment. REQUIRED?: Not Required
Fund/Division #: 1000-11030 Division Name: Human Resources Administration REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$500 TOTAL: \$500	CURRENT LEVEL OF SERVICE: This line item allows for memberships to professional HR organizations REDUCTION DESCRIPTION: Reduce memberships by \$500 leaving approximately \$1,300 to ensure HR continues receiving updates w/ regard to HR practices, etc... RESULTING LEVEL OF SERVICE: Reduction in memberships will reduce HR's ability to keep staff members abreast of latest HR issues/trends REQUIRED?: Not Required
Fund/Division #: 1000-11040 Division Name: Employment Services REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$1,000 TOTAL: \$1,000	CURRENT LEVEL OF SERVICE: This line item funds physicals for new hires REDUCTION DESCRIPTION: Reduce physicals by \$1,000 leaving approximately \$2,300 giving us some ability to pay for necessary physicals for appropriate positions RESULTING LEVEL OF SERVICE: Reduction in this area will impact ability to pay for employee physicals should hire of a safety sensitive position be necessary REQUIRED?: Not Required
Fund/Division #: 1000-11040 Division Name: Employment Services REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$500 TOTAL: \$500	CURRENT LEVEL OF SERVICE: Advertising for job openings REDUCTION DESCRIPTION: Reduce by \$500 (\$200 remaining) RESULTING LEVEL OF SERVICE: Hirings have been frozen therefore impact will be minimal REQUIRED?: Not Required
Fund/Division #: 1000-11040 Division Name: Employment Services REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$2,500 TOTAL: \$2,500	CURRENT LEVEL OF SERVICE: Professional & Contractual line item for printing, mailings, volunteer program system fees, etc... REDUCTION DESCRIPTION: Reduce this area by \$2,500 RESULTING LEVEL OF SERVICE: Hirings have been frozen, printing will decrease. We still will be required to maintain the volgistics system for our volunteer program REQUIRED?: Not Required

HR & RISK MGT DEPARTMENT REDUCTIONS

Fund/Division #: 1000-11060 Division Name: Compensation REDUCTIONS: # of FTEs: 1 A6000: \$131,420 A7000: \$0 TOTAL: \$131,420	CURRENT LEVEL OF SERVICE: Deputy HR Director vacancy REDUCTION DESCRIPTION: Eliminate vacant position RESULTING LEVEL OF SERVICE: Eliminates 2nd tier of management in the HR / Risk department REQUIRED?: Not Required
Fund/Division #: 1000-11070 Division Name: Organizational Development REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$1,200 TOTAL: \$1,200	CURRENT LEVEL OF SERVICE: Organizational Development expenses for employee training and development REDUCTION DESCRIPTION: Reduce by \$1,200 which will impact ability to produce new training materials for employees RESULTING LEVEL OF SERVICE: Impacts offering of new training to existing employees. REQUIRED?: Not Required
Fund/Division #: 1000-11010 Division Name: Risk Management/Safety REDUCTIONS: # of FTEs: 1 A6000: \$110,351 A7000: \$0 TOTAL: \$110,351	CURRENT LEVEL OF SERVICE: Risk Manager position that will become vacant in December REDUCTION DESCRIPTION: Risk Manager position RESULTING LEVEL OF SERVICE: current staff member will take on the Risk Manager duties until the position can be filled REQUIRED?: Not Required
Fund/Division #: 1000-11070 Division Name: Organizational Development REDUCTIONS: # of FTEs: 1 A6000: \$81,232 A7000: \$0 TOTAL: \$81,232	CURRENT LEVEL OF SERVICE: HR Generalist FTE REDUCTION DESCRIPTION: Eliminate HR Generalist position RESULTING LEVEL OF SERVICE: Impacts overall level of service HR can provide in the core areas REQUIRED?: Not Required



STAFF REPORT

To: **Horatio Skeete, Acting City Manager**
From: **Chuck Murphy, Exec. Director Technology and Innovation**
Item Title: **PROPOSED BUDGET REDUCTIONS AND REORGANIZATION STRUCTURES**
Requested Council Meeting Date: **12/18/2012**
Meeting Type: **Workshop**

ANALYSIS

The purpose of this report is to address the Technology and Innovation Department's service impacts of the General Fund (GF) operating budget reductions. These reductions will be implemented during the last six months of Fiscal Year (FY) 2013, with the full year ongoing impact of those reductions realized for FY 2014.

- Reduction in training budget \$14,857: A combination of fast changing technology and limited resources make training dollars crucial. For example, new technologies were used to provide the financial data for Follow Your Money and to create the new council agenda application. Additionally, existing hardware and software which support city operations are constantly being upgraded by the manufacturers requiring ongoing training for staff. An adequate training budget remains and is essential to ensure that staff receives the required training to support city operations.
- Elimination of two vacant positions \$170,399: These positions were planned to provide additional expertise and technical backup in two critical technology areas, SharePoint and Business Intelligence. SharePoint is the new technology used to provide document sharing and electronic workflow. The new council agenda process is one example of SharePoint use in the city. Business Intelligence technology is an essential component for data reporting and analysis and is the core component used in the Follow Your Money application. Currently, each of these technologies is supported by a single staff member. Eliminating the vacant positions will minimize the city's ability to expand the benefits of these technologies and expose the city to risk related to potential unavailability of support staff.

TECH. & INNOVATION DEPARTMENT REDUCTIONS

	FTE's	A6000	A7000	TOTAL
Totals	2	\$170,399	\$14,857	\$185,256

<p>Fund/Division #: 1000-11510 Division Name: Information Technology</p> <p>REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$14,857 TOTAL: \$14,857</p>	<p>CURRENT LEVEL OF SERVICE: Training is essential for technology staff to ensure operational demands are met. Technology enhancements are often mandated by vendors or business partners for functional or security purposes. Training is required to maintain proficiency with these changes.</p> <p>REDUCTION DESCRIPTION: Training Budget Reduction</p> <p>RESULTING LEVEL OF SERVICE: Sufficient funding remains to cover training needs.</p> <p>REQUIRED?:</p>
<p>Fund/Division #: 1000-11510 Division Name: Information Technology</p> <p>REDUCTIONS: # of FTEs: 1 A6000: \$91,809 A7000: \$0 TOTAL: \$91,809</p>	<p>CURRENT LEVEL OF SERVICE: Application Analyst: Vacant FTE planned for SharePoint Development. LEAN and SharePoint were used to streamline the council agenda and miscellaneous receivables processes. In addition, business intelligence was planned to be incorporated into SharePoint.</p> <p>REDUCTION DESCRIPTION: Reduce 1 FTE SharePoint System Analyst: SharePoint is the system being implemented within the City to reduce paperwork and time associated with document management and collaboration.</p> <p>RESULTING LEVEL OF SERVICE: Currently have one IT staff member providing SharePoint technical capability. Having one staff member limits the City's ability to continue SharePoint paperless workflow and cost reductions associated with improved processes. May not be able to support the expansion of business intelligence tools into SharePoint.</p> <p>REQUIRED?: Not Required</p>
<p>Fund/Division #: 1000-11510 Division Name: Information Technology</p> <p>REDUCTIONS: # of FTEs: 1 A6000: \$78,590 A7000: \$0 TOTAL: \$78,590</p>	<p>CURRENT LEVEL OF SERVICE: Library Technology Manager: 1 FTE Vacant</p> <p>REDUCTION DESCRIPTION: Reduce 1 FTE: This position has been eliminated. The position was planned to be reclassified to a business intelligence analyst to meet needs in finance, public safety and general operations. The City has a significant amount of data which can be used to provide needed business analysis to reduce costs and better utilize existing resources. There is currently no other staff member in that position.</p> <p>RESULTING LEVEL OF SERVICE:</p> <p>REQUIRED?: Not Required</p>

NON-DEPARTMENTAL DEPARTMENT REDUCTIONS

	FTE's	A6000	A7000	TOTAL
Totals	0	\$0	\$133,872	\$133,872

Fund/Division #: 1000-11801 Division Name: Fund 1000 Non-Dept REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$133,872 TOTAL: \$133,872	CURRENT LEVEL OF SERVICE: Professional & contractual payments made on behalf of the organization that have historically covered legal fees, consultants for special projects and other external finance charges.
	REDUCTION DESCRIPTION: Reduce professional & contractual payments made on behalf of the organization that cannot be specifically assigned to any one particular department from \$168K to \$34K annually.
	RESULTING LEVEL OF SERVICE: A nominal amount will remain in this budget line item to cover external finance charges that have averaged \$32K over the last two fiscal years.
	REQUIRED?: Not Required

Public Safety

FY 2014 Reductions

Excludes A7500 Series Accounts

(\$'s in Thousands) Department Name	FY 2014 Full Year Reduction Amount (Effective Mid-Year FY 2013)				a b c d = b - c (d - a) / a - c / b Budgeted FTE's			FTE Reduction	Projected FY 2014 FTE's	Projected FY09-FY14 % Change	Projected FY13-FY14 % Change
	A6000	A7000	Rev Loss	Total	FY 2009	FY 2013	FY 2013 Amd	FY13/14			
Police Services	\$0	\$0	\$0	\$0	510.0	452.0	452.0	0.0	452.0	-11%	0%
Fire Services	\$0	\$0	\$0	\$0	236.5	220.0	220.0	0.0	220.0	-7%	0%
City Court	\$98	\$80	\$0	\$178	50.0	37.8	37.5	1.0	36.5	-27%	-3%
Total	\$98	\$80	\$0	\$178	796.5	709.8	709.5	1.0	708.5	-11%	0%



STAFF REPORT

To: **Horatio Skeete, Acting City Manager**
From: **Hon. Elizabeth Finn, Presiding Judge**
Item Title: **PROPOSED BUDGET REDUCTIONS AND REORGANIZATION STRUCTURES**
Requested Council Meeting Date: **12/18/2012**
Meeting Type: **Workshop**

ANALYSIS

The purpose of this report is to address the City Court's service impacts of the General Fund (GF) operating budget reductions. These reductions have already been implemented during the last seven months of Fiscal Year (FY) 2013, with the full year ongoing impact of those reductions realized for FY 2014.

- Reduce one FTE with the elimination of the Deputy Court Administrator position: This position was vacated in May 2012 and brings the total number of eliminated management staff to three. The Court has eliminated two deputy court administrator positions and one supervisor position. The impact of this position elimination increases the amount of responsibility and staff oversight to the Court Administrator and three remaining Supervisors.
- Reduce contracted judicial officer expenditures by \$74,256 by making a significant calendar change effective December 10, 2012: The compressed calendar has closed a courtroom every day for a morning or an afternoon. The reduction of open courtrooms will result in higher numbers of cases being heard each day. This reduction will result in potentially longer wait time for people to see a judge. It decreases the amount of time for judges to review motions and correspondence, issuing rulings and performing other legally mandated functions.
- Reduce costs of \$2,800 for the storing of court files offsite: The Court has requested the secured storage facility destroy several hundred boxes of court files that have met their required retention schedule. Non general funds are being utilized to fund the destruction of files. The destruction of files will result in a reduction of the monthly storage costs paid by the Court.
- Reduce professional development expenses in the amount of \$3,250: The Court continues to provide in-house training for staff as well as utilizing free or low cost webinars.

CITY COURT DEPARTMENT REDUCTIONS

	FTE's	A6000	A7000	TOTAL
Totals	1	\$97,862	\$80,306	\$178,168

Fund/Division #: 1000-10410 Division Name: City Court REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$2,800 TOTAL: \$2,800	CURRENT LEVEL OF SERVICE: Use of secured storage facility to house Court files during Supreme Court mandatory retention period. REDUCTION DESCRIPTION: Reduce the number of files stored off site in a secure storage facility. RESULTING LEVEL OF SERVICE: No impact expected. REQUIRED?: Not Required
Fund/Division #: 1000-10410 Division Name: City Court REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$3,250 TOTAL: \$3,250	CURRENT LEVEL OF SERVICE: Professional development for Court staff. REDUCTION DESCRIPTION: Reduce professional development funds for training of all Court staff. RESULTING LEVEL OF SERVICE: All Court staff are mandated by the Supreme Court to attend 12 hours of training each year. Other training opportunities will be identified. REQUIRED?: Yes, by Govn't Regulation
Fund/Division #: 1000-10410 Division Name: City Court REDUCTIONS: # of FTEs: 1 A6000: \$97,862 A7000: \$0 TOTAL: \$97,862	CURRENT LEVEL OF SERVICE: Deputy Court Administrator- Supervise 2 teams and provide oversight for security, court calendar structure and facility needs. REDUCTION DESCRIPTION: Eliminate this position. RESULTING LEVEL OF SERVICE: Increase workload of Court Administrator who will assume duties. REQUIRED?: Not Required
Fund/Division #: 1000-10410 Division Name: City Court REDUCTIONS: # of FTEs: 0 A6000: \$0 A7000: \$74,256 TOTAL: \$74,256	CURRENT LEVEL OF SERVICE: Full time judicial officers cover 3 courtrooms every week day. Pro tem judges cover an additional two courtrooms on a daily basis during the week plus provide coverage for jail court on weekend days plus holidays. REDUCTION DESCRIPTION: Required complete restructure of calendars for every courtroom. Eliminates one half operational courtroom daily per week plus another 2 half days a week. RESULTING LEVEL OF SERVICE: Full time judicial officers' caseloads will increase to absorb eliminated calendars. Turn around time for customers will be reduced. Less time for full time judicial officers to perform their legally mandated duties. REQUIRED?: Not Required



CITY COUNCIL REPORT

Meeting Date: **12/18/2012**
Meeting Type: **Workshop**
Title: **FISCAL YEAR 2012-13 MID-YEAR ADJUSTMENTS TO PUBLIC SAFETY BUDGETS**
Staff Contact: **Debora Black, Interim Police Chief**
Mark Burdick, Fire Chief

Purpose and Policy Guidance

The purpose of this report is to present City Council with an overview of the Public Safety departments Fiscal Year (FY) 2012-13 mid-year budget to discuss anticipated shortfalls and recommendations for corrective action. This is for Council information and discussion.

Background Summary

Police Services

The FY 2012-13 adopted operating budget for the Police Department is \$75.3 million and includes staffing authorization for 577.5 full-time employees (FTEs). Of that number, 459.5 FTEs are in the General Fund/other funds, and 118 FTEs are in the Public Safety Sales Tax fund.

The under-funded areas in the Police Services budget include overtime (approximately \$598,000), temporary pay for contract workers (approximately \$176,000), as well as fuel and shop charges (approximately \$269,000). The required FY 2012-13 mid-year budget adjustments for Police Services totals \$1,043,000.

The recommended plan is to use salary savings and eliminate selected vacant FTE positions to balance the Police Services budget. There are currently 12 vacant sworn positions and 18 vacant civilian positions in the department. The elimination of 10 vacant civilian support positions will result in a budget reduction of \$583,201; as well as salary savings of \$459,799 from the remaining vacancies will cover the \$1,043,000 mid-year budget adjustment required for Police Services.

The responsibilities of the eliminated positions will be, or have already been, reassigned to the remaining staff. The decision about retaining or eliminating the remaining vacant positions is pending the outcome of a reorganization planning process currently underway; however, the majority of the vacancies are expected to remain unfilled for the remainder of this fiscal year.



CITY COUNCIL REPORT

Fire Services

The FY 2012-13 adopted operating budget for Fire Services is \$37.2 million and includes staffing authorization for 277 FTEs. Of that number, 226 FTEs are in the General Fund/other funds, and 51 FTEs are in the Public Safety Sales Tax fund.

Over the past several years, while budget reductions have occurred, the department identified some reductions that have proven to be unachievable while continuing to maintain appropriate service delivery. These reductions have created the need for current year realignment and reallocation of budget dollars. Also, the department continues to incur increases due to inflation, rising costs of materials, service, supplies, etc. Other contributing factors are in areas such as overtime expenses, shop and fuel costs, and certain required operating agreements. The required FY 2012-13 mid-year budget adjustments for Fire Services totals \$1,082,002.

The recommended plan is to eliminate selected FTE positions and make several operating changes to balance the Fire Services budget. The elimination of five filled and three retiring or vacant non-sworn positions, as well as six vacant or retiring sworn positions, for a total of 14 FTEs will result in a budget reduction of \$722,226; as well as \$359,776 in proposed operating changes will cover the \$1,082,002 mid-year budget adjustment required for Fire Services.

The responsibilities of the eliminated positions will be, or have already been, reassigned to the remaining staff. Potential replacement of positions will be determined at a later date when the staffing needs and budget support it.

Community Benefit/Public Involvement

The reallocation of resources will be applied and managed so that critical police and fire services will continue to be provided to the community.

Budget and Financial Impacts

This action will not require an increase to the FY 2012-13 operating budgets for the Public Safety departments. The recommended changes would be implemented during the last six months of FY 2012-13, with the full year ongoing impact of those reductions realized in FY 2013-14.

Attachments

Staff Reports



**FY 2013
Police & Fire
Proposed Re-Organizations**



STAFF REPORT

To: **Horatio Skeete, Acting City Manager**
From: **Debora Black, Interim Police Chief**
Item Title: **PROPOSED BUDGET REORGANIZATION STRUCTURES**
Requested Council Meeting Date: **12/18/2012**
Meeting Type: **Workshop**

ANALYSIS

The purpose of this report is to address the Police Department's operating budget reallocation that will be distributed to cover a gap in budget verses expenditures in the amount of \$1,043,000 created by internal structural deficits. These changes identified will be implemented during the last six months of Fiscal Year (FY) 2013, with the full year ongoing impact of the fund reallocation realized for FY 2014.

- The current trends for spending in overtime reflect a projected overage of approximately \$598,000 by the end of the fiscal year. Staffing shortages in Patrol, Communications and Detention have contributed to the overage in the overtime expenses. We underestimated the amount needed for overtime for the FY and that underestimate has been compounded by vacancies and the number of officers assigned to modified duty due to illness or injury.
- The current trend for Fuel and Shop charges are projected to be over budget approximately \$269,000 by the end of the fiscal year, if spending in those areas stays on their current pace. Fuel and shop charges were reduced by previous budget reductions in FY 2013 by \$270,991; this decision was based on historical data. However, based on current expenditures that amount needs to be restored.
- The current trend for spending for temporary pay for contract workers reflects a projected overage of approximately \$176,000. Three contract workers providing technical support for the CAD/RMS project account for this overage.



STAFF REPORT

- The plan to balance the Police Department's FY 2013 budget is to use salary savings and eliminate selected vacant positions. Based on an analysis of 8 pay periods, the Police Department had a salary savings of \$624,289 for all funds. The breakdown of this is \$286,653 in the General Fund and \$301,087 in the Public Safety Sales Tax Fund (PSST) and \$36,549 in other funds.
 - There are currently eleven vacant **sworn positions** in the General Fund and one vacant sworn position in PSST. An additional two sworn positions in the General Fund and sworn position in PSST are anticipated to be vacated by the end of 2013 for a total of 15 sworn vacancies.
 - There are ten vacant **civilian positions** in the General Fund and eight vacant civilian positions in PSST; three anticipated civilian positions in the General Fund are expected to be vacated for a total of 21 civilian vacancies.
- Elimination of seven vacant civilian support positions in the General Fund and three vacant civilian support positions in the PSST result in A6000 reduction of \$583,201 available for reallocation to A7000 to cover the overages described above on an ongoing basis starting in FY 2014. The responsibilities of the eliminated positions will be, or have already been, reassigned to the remaining staff.
 - The decision about retaining or eliminating the remaining vacant positions is pending the outcome of a reorganization planning process currently underway, however the majority of the vacancies are expected to remain unfilled for the remainder of FY 2013, therefore salary savings will continue to accrue.
- A complete review of staffing as it relates to the delivery of essential services is underway, involving all levels of management and labor working together on a reorganization plan. The details of the plan will be presented in conjunction with the FY 2014 budget.



STAFF REPORT

To: **Horatio Skeete, Acting City Manager**
From: **Mark Burdick, Fire Chief**
Item Title: **PROPOSED BUDGET REORGANIZATION STRUCTURES**
Requested Council Meeting Date: **12/18/2012**
Meeting Type: **Workshop**

ANALYSIS

The purpose of this report is to address the Fire Department's need to reallocate operating expenses in the current fiscal year, as well as provide a more permanent solution to the structural imbalance that exists within the department today. The department continuously conducts analysis of services and strives to maintain the priority service lines at optimal levels. Over the past several years, while budget reductions have occurred, the department identified some reductions that have proven to be unachievable while continuing to maintain appropriate service delivery. These reductions have created the need for current year realignment and reallocation of budget dollars. Also, the department continues to accrue increases due to inflation, rising costs of materials, service, supplies, etc., in areas such as overtime expenses, shop and fuel costs (that have risen from an aging fleet of apparatus and the rise in diesel fuel prices) and, while a less expense comparatively, certain required operating agreements (CAD, RWC, etc.). Within the General Fund, reallocation of \$554,914 and \$527,088 within the Public Safety Sales Tax (PSST) will address the structural imbalance and allow the department to continue to maintain quality services. The total reallocation between the two funds equals \$1,082,002. These realignments and reallocations will be implemented during the last six months of Fiscal Year (FY) 2013, with the full year ongoing impact of those adjustments realized for FY 2014.

- Elimination of three administrative positions in General Fund and one position in PSST. One is currently vacant due to attrition, one will be vacated by January and two are currently filled. A6000 reduction of \$165,698. The elimination of positions has required their responsibilities to be reassigned to the remaining administrative staff. The resulting reorganization has eliminated a direct link to county and state public health response. Loss of these positions will result in delayed processing time for various requests both internally and externally.



STAFF REPORT

- Elimination of three positions in the Crisis Response Program. One due to a retirement, the other two are currently filled. A6000 reduction of \$95,350. The intern (students) that provides 24 hours/week for 10-12 months, after completing 200 hours of training (about 10-12 interns) will discontinue. Program management will be reduced to 2006 levels. Delayed responses from this unit will be expected and the current level of coverage will be reduced. This will impact the effectiveness of the crisis team being able to relieve on-scene fire and police personnel.
- Two emergency response Captain FTEs (currently vacant) and one, after retirement in March 2013, will be eliminated. A6000 reduction of \$223,789 and A7000 reduction of \$5,202. Staffing is currently sufficient; however fire administration will continue to assess staffing levels in comparison with overtime expenditures. Replacement of the vacant Captain FTEs will be determined when overtime expenditures increase due to attrition of Captains with retirement.
- Elimination of 1 FTE in Fire Resource Management. A6000 reduction of \$47,810. This reduction will require most information technology support to be provided by the city information technology department, while additional responsibilities will be distributed to EOC technology support staff and other existing personnel.
- Reduction of the community services program budget. A7000 reduction of \$10,000. The budget is used for Educational Videos/DVD's, educational handouts, the Youth Firesetter Handbook for School Personnel, and Fire Pals Supplies (educational DVD's, teaching materials, supplies, and handouts for the kindergarten through third grade Fire Pal educational program in Glendale schools). It is also used to obtain CCC-CPR cards for distribution after the CCC-CPR classes are taught in the schools and to community organizations. Education courses will still be taught by a community services employee, however all schools that have requested education will not be serviced and cards for CCC-CPR will be discontinued. The department will seek volunteer support, in-kind or other donations and grant funds to maintain outreach and education of fire and safety related programs for schools and the public.
- Three vacant FTE firefighter positions in the PSST Fund will be eliminated. A6000 reduction of \$189,589. While staffing is currently sufficient to not place trucks out of service, fire administration will continue to assess staffing levels in comparison with overtime expenditures. Replacement of the vacant firefighter FTEs will be determined when overtime expenditures increase due to attrition of firefighters with retirement.



STAFF REPORT

- Overtime savings by placing one responding command officer unit out of service. A7000 reduction of \$210,000. The realignment of the command officer may affect emergency service delivery in the automatic aid system, however redeployment of another responding command officer will minimize the effects, and data suggests that coverage will be adequate in the City of Glendale.
- Savings by delay of turnout purchase until July 1, 2013. A7000 reduction of \$122,562. This delay will not affect safety and will simply delay the purchase until next fiscal year through adjustment of the replacement schedule. This is one-time savings that will be off-set by ongoing reductions over the full fiscal year of FY13/14.
- Reimbursement for radio use overpayment. A7000 reduction of \$12,012. This is a one-time savings that resulted from the transition of Phoenix Fire Department Radio Services to the Regional Wireless Cooperative. Payments were made to both agencies which duplicated payment and Phoenix Fire Department will be reimbursing \$12,012 before June 30th.