



**MINUTES OF THE
GLENDALE CITY COUNCIL SPECIAL BUDGET WORKSHOP SESSION
Council Chambers
5850 West Glendale Avenue
March 06, 2012
8:30 a.m.**

PRESENT: Mayor Elaine M. Scruggs, Vice Mayor Steven E. Frate and Councilmembers Norma S. Alvarez, Joyce V. Clark, Yvonne J. Knaack, H. Phillip Lieberman, and Manuel D. Martinez,

ALSO PRESENT: Ed Beasley, City Manager; Horatio Skeete, Assistant City Manager; Craig Tindall, City Attorney; and Pamela Hanna, City Clerk

1. 4TH BUDGET WORKSHOP

PRESENTED BY: Sherry M. Schurhammer, Executive Director, Financial Services Department; Erik Strunk, Executive Director, Parks, Recreation and Library; Julie Frisoni, Executive Director, Communications; Jim Colson, Deputy City Manager, Development, Neighborhood and Human Services.

This is a request for City Council to review the material presented in the budget workbook. Today's workshop will cover the following:

- Parks, Recreation, and Library, pages 294 – 352;
- Communications, pages 162 – 196;
- Development Services (Building Safety, Code Compliance, Community Development Admin and Planning) pages 204 – 220;

In response to Council's request for more time to review the city's budget, five budget workshops have been scheduled for February and March 2012. Additional workshops will be scheduled if needed.

The material to be reviewed at the budget workshops is contained in the budget workbook that was posted with the meeting agenda.

The City Council budget workbook was prepared to facilitate Council's review of the operating budgets for city departments. A detailed explanation of the budget workbook that is labeled "Budget Workbook Material – Explanation" is included in the workbook.

Please note that the budget workbook materials include a draft FY 2013 budget for each department. Any revisions to departmental operating budgets agreed upon by Council during its review will be incorporated. After that review is completed, we will return with a revised FY 2013 budget and a proposed balancing plan for the GF.

The 3rd budget workshop occurred on February 28, 2012.

The 2nd budget workshop occurred on February 21, 2012.

The 1st budget workshop occurred on February 14, 2012.

At the January 10, 2012 Council meeting, an ordinance was adopted authorizing the refunding/restructuring of outstanding water/sewer revenue obligations and Municipal Property Corporation (MPC) excise tax revenue bonds and authorizing the issuance of these bonds in an amount not to exceed \$99 million and \$70 million respectively.

At the January 3, 2012 Council workshop, staff presented the debt management plan and options related to refinancing outstanding MPC debt and refunding outstanding water/sewer debt.

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, 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.

The budget provides Council, residents and businesses with a means to evaluate the city's financial stability.

Today's workshop is for information only. Decisions on the FY 2012-13 budget will not be requested until a later date.

Mayor Scruggs said for those of you that are attending as members of the public, let me just state again that these are not actual budget hearings. There is no budget that has been developed at this point. What Council is talking about is looking at all of these services and programs that are provided by the city of Glendale. And looking at them to determine if they should continue, be expanded, or eliminated. This is the same thing that is going on in the City of Phoenix right now and some of you may have read about their efforts and of course their city is much, much larger than Glendale. So when you hear things stated, please know this is not a recommended budget. Staff is listening to the Council's comments and observations and questions and will use those to actually develop a budget.

Mayor Scruggs said that she will call for lunch between 11:30 and 1:00 p.m. She has to attend a MAG meeting from 11:30 to 1:00 p.m. So she would run upstairs to her office and attend that meeting. She noted there is no public comment period during Council workshops. She said this is the 4th budget workshop and asked Assistant City Manager, Mr. Skeete to open the meeting. Thank you.

Horatio Skeete, Assistant City Manager, provided a brief introduction.

Sherry M. Schurhammer, Executive Director, Financial Services Department, stated they will continue where they left off at the last workshop. Erik Strunk, Executive Director, Parks, Recreation and Library will provide the summary on Parks and Recreation which begins on page 311.

Mr. Strunk indicated staff had broken out the Parks and Recreation Department into 12 different sections in Council's material. The Sports and Health Division is the first department that will be reviewed. The Sports and Health Division is responsible for the adult softball, small use clinics, the rental and maintenance of all 23 of the city's playing fields that include the Sports Complexes and other similar fields in the city. This group maintains the city's athletic fields for all patrons that enjoy softball, soccer, etc.

Councilmember Clark asked for clarification on the differences in the rental and maintenance departments. She remarked the information shows funding these programs was close to half a million dollars. Mr. Strunk stated she was correct. The total cost for the programs, including the revenues they take in, plus the general fund expenses was \$657,232, which includes all the rental fees charged for the facilities. He noted staff broke that out to show the city's key service components of this division. He provided examples. Councilmember Clark was still not clear on the revenue generated. Mr. Strunk stated the revenue generated was \$366,892. Councilmember Clark asked if the revenue generation covered a little over half of the cost of maintaining all of these fields. Mr. Strunk replied yes.

Mayor Scruggs said she was totally confused with this whole budget. It's been broken in so many places that, like Councilmember Clark, she was having a really difficult time following it. So on page 311, under service alternatives, eliminate deputy director position, it says the division can function without this position. She said this told Council there is a savings there – she didn't know if she'd seen that in anybody else's, honestly, stating that the division can function without this position. So she certainly will take his recommendation in this instance and put it on the list that's being compiled. Increasing current fees – talks about increasing field rental fees – is that a realistic option? Are all these costs that go into maintaining, making the fields available, having people answer the phone...are those expected to go up?

Mr. Strunk explained the city was in the middle in respect to field rental rates. He added staff was actively working on this and will bring it back as part of the balanced budget.

Mayor Scruggs said when she saw the price for the water, she just about fell off her chair, just what it cost to take care of that. So then we increase field rental fees. Did the Youth Sports

Complex, is that now added in with all these other things that are up here, the Sahuaro Ranch, Athletic Fields and Paseo Sports Complex?

Mr. Strunk replied yes and added it was also in a category by itself and could explain it now.

Mayor Scruggs said yes, she would like to understand why when the city was trying to reduce expenses it brought this into the realm, where it costs so much money to do anything. So, why don't you tell us? Or should Council wait until they get to it? Okay, why don't we wait for that, then. So when Council looks at the numbers up here in the first block, it does not include Youth Sports Complex because that is by itself? Is that correct?

Mr. Strunk stated she was correct. That program has a separate budget.

Mayor Scruggs said so in your service alternatives we have two of them that are realistic - reduce services and staff as appropriate. She assumed that's if field rentals go down because the rates go up, staff will be reduced as appropriate? Is that what you are saying there? Is staffing at an appropriate level?

Mr. Strunk stated she was correct and they will be making the appropriate modification to staffing as levels change. He explained the FTE move was covered in the FTE category they have reflected in this division's budget.

Mayor Scruggs asked does that have anything to do with the Youth Sports Complex.

Mr. Strunk replied no.

Councilmember Martinez commented on the information on page 311. He said that at first glance he believed the city was making a profit and generating revenue in these departments. However, now that it has been explained, the city was not making any money. Mr. Strunk referenced the blocks on page 311 and explained what they meant. He stated that the \$197,000 shown was part of the \$366,892.

Mayor Scruggs said then, explain the first box when we have one position and the salary portion of it – account A-6000 - the salary and benefits - \$179,818. But under service alternatives, it says eliminate deputy director for \$109,608. So are the benefits for this position another \$70,000?

Mr. Strunk explained the number of FTEs for this was 1.8 and if they eliminate the deputy director's position, the \$109,608 goes away but the .8 remains.

Mayor Scruggs said Council probably will have lots of questions like this as we go through because this is really split up all over the place. So when we do this next year maybe we can think of a way where we can say "okay here is this function that we perform and these are all the people that help to perform", instead of it being all over the place like this.

Vice Mayor Frate noted staff was only trying to break it down to help the Council understand it in better detail.

Mayor Scruggs said she knows, but there has to be some sort of computation somewhere that can bring it together. Okay, she understood what they were doing and it's a good idea, but this particular service or program the city offers involves this, but how it all comes together is missing. She guessed they could move to Sports Self Sustaining, and that's where we were talking about field allocation. And these are the people that actually take the reservations? Is that what you told us?

Mr. Strunk replied yes.

Mayor Scruggs asked so any time we see revenue generation, its part of the amount that's up here on page 311?

Mr. Strunk yes and added this also included the supervision of the field aspect.

Mayor Scruggs asked do they stay there for the whole event or they just stay there until the activity gets going or what?

Mr. Strunk explained it depends what sort of event it was. They stay to offer assistance or supervise a certain event.

Mayor Scruggs asked is this because it's good customer service? Mr. Strunk replied yes. If you think about it actually you have a staff person who is standing there for two or three hours watching a ballgame. Mr. Strunk noted this particular group also inspects the fields as well as the dugouts and surrounding areas on the field, therefore are always working on site.

Councilmember Knaack commented staff was correct to have someone from the city on site supervising all events. She provided examples of how they are needed to solve ongoing issues. She added these were revenue generated events; therefore the city needs to provide the highest customer service.

Mayor Scruggs asked are we going to find a person that makes sure the right people are using the Ramada, in a different fund than at Sahuaro Ranch Park - in a different fund than the ones that are watching to make sure the right people are using the sports fields. She asked if the same function would be in the Ramada allocation and other facilities.

Mr. Strunk replied yes.

Mayor Scruggs asked will they have their own people over here; another set of expense accounts where people are taking reservations and making sure the right people are there?

Mr. Strunk explained the Ramada portion of supervision was made by the park rangers, which will show up later in the budget.

Mayor Scruggs said but they don't take the reservations? There is another group of people taking the reservations?

Mr. Strunk replied yes. He explained the reservation procedure and the process of staff meeting and scheduling with the various groups and leagues that reserve the fields.

Mayor Scruggs said we will move to the box at the bottom, which are Field Preparations called Sports Self Sustaining Field Preparation, are there questions on that? Mayor Scruggs said we will turn to page 313, still in Sports Self Sustaining and the category is the small youth clinics. Are there any questions on this?

Councilmember Clark remarked it generated approximately \$5,000 and the total cost is \$6,278, which means it almost paid for itself.

Mayor Scruggs asked was there a minimum number of children that would trigger not doing this. Right now of the entire city, 100 children participate. If it was 70 children, would you still do this? If it was 60 children would you do it? Is there a minimum in which it becomes a no – you can't justify one FTE to do this function?

Mr. Stunk noted he did not know what the threshold was for cancelling a session. He indicated they also have a sponsor called Land of Frost who donates \$4,500.

Mayor Scruggs said so the \$4,500 is in the \$5,000 revenue annually?

Mr. Strunk replied yes.

Mayor Scruggs asked so you collect \$500 from the 100 people that participate?

Mr. Strunk replied yes.

Mayor Scruggs said Sports Self Sustaining – this is the adult leagues. Are there any questions?

Councilmember Clark asked what they do to prevent other leagues from using other parks in the city. She provided an example of an adult group not from Glendale using parks. Mr. Stunk explained they follow up on any complaints with park rangers as well as park staff and asked them to leave the premise. Councilmember Clark asked them to check on the park she mentioned.

Councilmember Lieberman provided another example of groups using parks without permission some years back. He noted they ended up taking the equipment out in order to return the park to the neighborhood.

Mayor Scruggs said on page 313 on the bottom box when we talk about approximately \$165,000 in revenue annually, is that part of the first \$366,000? Mr. Strunk stated she was correct.

Mayor Scruggs said so the city isn't going to get to any new revenue? \$366,000 is what it is?

Mr. Strunk replied yes and referred to the potential for a rate increase.

Mayor Scruggs said so when Council gets through with all of this – these different things where we say something is self-sustaining, out of the \$366,000, does that pay for all of these things we are looking at now or is there a greater cost? She continued so that was the \$657,232 total cost of providing all these leagues and field reservations and the revenue generation is 366,892.

Councilmember Clark noted it covered a little over half. Mr. Strunk provided clarification on the figures starting on page 311. He noted that if all the accounts were added up the total would be \$657,352 including the revenue they take in.

Mayor Scruggs asked when Sports and Health ends; when do we get to the end of what makes up the \$657,232 and earns \$366,892? Which account is the last one in that section?

Mr. Strunk stated it was on page 313.

Mayor Scruggs said now we are going to go into a whole different function, it starts with the Glendale Elementary School District ball field.

Mr. Strunk explained these next two items where on page 314 which are agreements they have with the school districts to utilize their athletic fields and in exchange the city agrees to pay a certain portion of the maintenance. He explained the school agreements and the funds put in by the schools.

Mayor Scruggs asked why you don't have what we put in each year.

Mr. Strunk noted this was the authorization to spend up to what we think it will cost. In this particular case, the city receives \$18,500 from the Glendale Elementary School District and the city only spends no more than \$1,500 to \$2,000 a year. Therefore, the city was actually making a profit from this.

Councilmember Clark stated there had to be more costs associated with this program since the city was responsible for water and electricity. She wondered what the actual cost to the city was. Mr. Strunk stated he did not have that information with him.

Mayor Scruggs commented that was what she was saying. There can't be zero costs.

Councilmember Clark agreed and added the same logic applies to the next school.

Mayor Scruggs said the city needs to put in a match each year. All Council is trying to get to is what is the city's match? Is the city not putting in a match and just drawing down the fund? She

added that he could add the information later. Mr. Strunk agreed to get the numbers that reflect the match.

Mayor Scruggs said now we are going to page 315 and we're going to move to the Foothills Recreation Center Self Sustaining. That function is different from the aquatics program. She asked whenever we see revenue generation or we see expenses, is it just for what goes on inside the building or are all these aquatics costs figured into those same figures?

Mr. Strunk noted the Aquatics cost should be factored into the Aquatics cost center.

Mayor Scruggs asked so the first block on page 315, is that included when we see the total cost of both the \$6,000 and \$7,000, then up \$255,888? Does that include everything? No, it can't be because aquatics are at more than one location. So it can't be.

Mr. Strunk explained that as they walk through this process, it will reveal itself.

Councilmember Martinez inquired if the special interest classes listed were the classes from which the city collects fees. Mr. Strunk replied yes

Councilmember Clark remarked it seemed by her math that the city was spending \$5,000 per person in the Aquatic Center programs. However, her math was bad so she doesn't think that is correct.

Mayor Scruggs responded no, absolutely not! Now that's how things start out in the community, that is absolutely inaccurate and in addition, you have not read revenue generation, which exceeds expenses by 1/3.

Councilmember Clark agreed and said her math was wacky and was not sure what the amount was per person. She agrees this was one of the few programs where revenue generation offsets the cost.

Mayor Scruggs commented but that's what gets picked up.

Councilmember Lieberman disagreed.

Mayor Scruggs said we are going to start going down a real slippery slope here because we are going to get to the other facilities in this city where there is no self-sustaining aspect at all where people don't pay membership fees. So this is just a slippery slope we are going to start on here. But it comes out, I'm figuring, about \$43 dollars a person to hold these classes. But they are paying more than that – they are paying close to \$60 a person. She asked what else you would like to tell us about this Foothills Recreation Self Sustaining category at the top of the page.

Mayor Scruggs asked if there were a minimum number of people that if you don't attract a certain number of people, the class is not held. Mr. Strunk replied yes and added the city contracts with part time staff on these types of classes.

Mayor Scruggs said so they are independent contractors and they set the classes and it really makes no difference to the city because they are getting paid and it's their time that is being used. There is no city staff that is teaching baking or Zumba? Mr. Strunk said she was correct.

Mayor Scruggs said she had a conversation with Mr. Skeete quite a while ago on this whole business of the classes – like when the booklet comes out and, if she understood him correctly, when our citizens get the booklet that shows all the classes that could be offered – if people don't show up – just because it's in the book – the class isn't held - it's totally community driven. Mr. Strunk replied yes.

Mayor Scruggs said aquatics are next.

Councilmember Clark wondered where the funding and expenses for this program came from since the city was providing swim lessons and instructional services. She noted this program generated \$143,000; however, she has no idea what the expenses were. Mr. Strunk stated the program's information was detailed on page 315. Councilmember Clark asked if Council had to add all the totals in the blocks separately to figure out the true cost of aquatics as well as revenues generated.

Mr. Strunk stated the total cost to provide the program was \$517,685 and the revenue generated was \$301,846. Councilmember Clark asked what staff can do to more closely match the cost of the aquatics program. Mr. Strunk explained an option was an increase in gate fees at Rose Lane and the Foothills Aquatic Center.

Mayor Scruggs asked what the fee was to get into Foothills Aquatic Center versus Rose Lane.

Mr. Strunk stated that at Rose Lane for ages 2 and under are free, ages 3 to 17, are \$1, ages 18 plus, \$3 dollars and for seniors, \$2.50. For the Foothills Aquatic Center, ages 2 and under are free, ages 3 to 17 are \$2.50, 18 plus are \$5.00 and for seniors, \$2.50. Non-resident for Rose Lane, for ages 2 and under are free, 3 to 17, \$1, ages 18 plus, \$6 and for seniors, \$5. Foothills Aquatic Center, for non-resident for ages 2 and under are free, ages 3 to 17, \$3, ages 18 plus, \$6 and seniors, \$3.

Councilmember Clark noted she would like to see the fees for non-residents be the same at both facilities as well as raising those fees. She would like to see more residents than non-residents use these facilities. Mr. Strunk agreed.

Councilmember Knaack agreed and believes non-residents should pay more.

Mayor Scruggs said she would like to see a breakdown of who is using this, residents versus non-residents, at both locations. It is very interesting how we view swim lessons or swimming in general. She would like a breakdown of how many non-residents at each one. She asked if the non-resident fee for Rose Lane and the senior non-resident were \$5 and \$3 at Foothills.

Mr. Strunk stated she was correct.

Mayor Scruggs said that is interesting, wouldn't know why that would be? Everything else is about double at Foothills.

Councilmember Clark reviewed the fees at both locations.

Mayor Scruggs said she was really more focused on the resident fees than the non-resident and that's where the doubles are. You have a combination let's say up to 17 is \$1 at Rose Lane and \$2.50 at Foothills so double and a half. Okay 18 plus is \$3 and \$5 at Foothills so that's just under double. And then they pay membership fees on top. So it's a whole different model at Foothills than it is anyplace else. And so for those who have issues with facilities, we need the whole story.

Councilmember Clark agreed, however each were in different economic demographic areas, therefore, people think that is part of the equation that needs to be considered when you look at pricing models for both facilities.

Mayor Scruggs said anybody can go to either pool and then we need to look at whether we are offering recreational programs or social services. Okay let's move to the next section on top of page 316, Aquatic.

Mayor Scruggs said the top of page 316 is Rose Lane only and is this part of the fund we were just looking at on page 315?

Mr. Strunk replied yes.

Mayor Scruggs said so when we look at the \$517,685 to provide the Aquatics Program, that's both pools, but now we are going to look at it by pool? Is that what we are doing?

Mr. Strunk replied yes.

Councilmember Clark stated this was all very confusing and she wasn't really clear on any information since it was broken out in too many sections.

Councilmember Knaack remarked the bottom line was they had a cost of \$215,000 over and above the revenue generated; therefore that's the real concern. Councilmember Clark stated they needed more information.

Mr. Strunk stated he will try and simplify the information. He noted that on page 315 was the grand overview and one person and on page 316 was the cost of that person in addition to the cost to run the Rose Lane portion. He added that on page 344 was additional information on the different portions of operations for the different facilities.

Councilmember Clark inquired why the information was not clear on how many FTEs were needed to run a program. And what the true costs of these programs were because the information was all split up.

Mayor Scruggs said it's really not his fault, this really comes out of the finance and budget department, which chose to do it this way.

Councilmember Clark agreed this was not Mr. Strunk's fault and apologized for pressing him on this issue, but this was all very difficult to understand.

Councilmember Lieberman asked if there was a page that showed the total cost to operate the pools as well as the total revenue received by the pools.

Mayor Scruggs responded no and that's what Councilmember Clark is saying and that is what we are trying to figure out. Its split, someplace else you'll find the water, someplace else you'll find the utilities, someplace else you'll find the instructors. It's split all over the place because that's how they do their accounting process.

Councilmember Clark suggested they do some kind of addendum to this if not this year, for next year. She noted staff should possibly find a different way that shows the total cost in revenue generation for specific programs and facilities. Mr. Skeete stated that based on the questions being asked today, staff will present that information when they present the recommended budget this year. Staff will show the total cost of operating the Parks and Recreation Department and the different program areas, as well as subsections that will address the programming throughout the city.

Councilmember Clark stated that would be great. However, she would like to revisit this before they present the recommended budget, possibly at the end of these draft budget information sessions.

Mayor Scruggs responded that she agreed wholeheartedly and that's what she was going to say. She didn't want to see this when we have a recommended budget. If we are looking at whether we should continue offering an Aquatics program, we need time to study it, not get it as part of a budget that's handed to us. If we are looking at whatever program, we are looking at whether to keep offering the library community interest things, we need to know ahead of time, not get a rolled up budget that has everything in it and we don't know what is in there. This is why we are doing this whole thing - is to try and figure out what the different programs cost and how many they serve. Mayor Scruggs said we need it ahead of time to study it.

Mr. Skeete understood and will get that to them as soon as possible.

Councilmember Lieberman agreed that this did not make any sense.

Councilmember Clark asked to skip this department for now and move on to the next until they get the information.

Councilmember Knaack stated she was concerned they were getting so detailed with all this when the bigger picture was, should they even have the aquatics programs. She noted that at this point in the city's economic situation, should they even have these programs when they were short 55 police positions. Therefore, why are they talking about the aquatic center when they could do away with it until the economy recovers? She said they should be looking at the bigger picture and more important things.

Mayor Scruggs said what Councilmember Knaack just said is what I understood Councilmember Clark to be looking for when she first brought up this subject of zero-based budgeting. Also, what Councilmember Knaack was talking about when she said yes, except for the priority services? Not that we get into every little accounting nightmare. Mayor Scruggs said we might be able to save five people in accounting if we didn't do it this way. It's the programs themselves, which should we keep and which should we suspend, the programs and the services. Mayor Scruggs commented that she agrees with her totally, when they get to PD, and they are down 55 sworn positions and in addition the non-sworn – why are they fiddling about with this?

Councilmember Martinez stated he agrees with that to a certain extent. Since the aquatics at Foothills actually pays for itself.

Mayor Scruggs agreed, but if we knew that, we could make a good decision, but the way this is done now we can't know that, you're exactly right.

Councilmember Clark noted they need to understand this further to make a decision; therefore they need the level of detail not decisions based on assumptions or what their perceptions are about a program. They need to know whether that program was revenue generating, self-sustaining or losing money.

Mayor Scruggs said she thought the four of them were all saying the same thing. It's that Council had expected not to see these individual account functions that go on in the accounting department, but to look at programs. She noted there is also talk that if we don't do anything with the pools, there will be some cost to do nothing with the pools. Council help us to understand what we do and how much it costs to do it, how much money comes in from it and what it cost if we don't do it. Doesn't that sum it up? And I think you understand what we are saying.

Mr. Skeete replied he understood their instruction.

Councilmember Martinez remarked he had requested some information on the library patrons. He wanted to know the number of non-residents and residents. He wondered if that request had gotten lost somewhere. Ms. Schurhammer explained staff was still working on all the follow-up items.

Councilmember Clark suggested they get the follow-up information before they begin the actual budget discussions.

Councilmember Martinez commented that for Glendale library residents there was no fee and for non-residents there was a fee. Mr. Strunk noted he was correct and added for non-residents the fee was \$15 every three months or \$60 dollars for the year. Councilmember Martinez stated he would also like to know how that breaks down.

Mayor Scruggs said judging from the emails Council was receiving, there are a lot of them that come from other places.

Councilmember Martinez asked if other cities charge their residents for library services. Mr. Strunk stated they did not.

Mayor Scruggs questioned whether some do, some don't or none do?

Mr. Strunk indicated staff had completed a survey last week and Glendale is the only city that charges a non-resident fee. He said all the other valley cities are part of the reciprocal borrowing agreement. The only time they would charge a non-resident fee was if the person was out of county.

Mayor Scruggs asked isn't the city a part of the reciprocal borrowing agreement? Mr. Strunk replied no.

Mayor Scruggs said and that's – well that's another topic, that's part of it. The library has for years not wanted to change its model in any way shape or form and she thought that's come to some of these.

Councilmember Lieberman stated he would like a profit and loss sheet on each facility such as the Civic Center as well as a balance sheet for each. He would like to take a look at them individually.

Councilmember Alvarez remarked that as Councilmembers, they are responsible to their constituents since they pay taxes. Therefore, charging for everything may not work. She understands that some things are more important and she hopes they look at the budget and use the same criteria instead of saying they don't want aquatics because they are costing us money. She noted the city was spending in other areas and using the same formula. She said that people expect something for their taxes; therefore they need to look at everything before they start making cuts in services that are very important to the community. She reiterated the constituents did expect something for the money they pay in taxes. She hopes the Council will not use the excuse of they got into this already so they have to continue it. She asked the Council to consider the families that need the libraries and how important a swimming lesson was to some.

Mayor Scruggs said there are some pages that need correction. On page 304, we have the Main library has 109,531 items circulated but on page 305 the Foothills library has 839,661 items circulated. This is – there are some real errors here and she was also curious when you get down to Velma Teague, they have 212,562 items circulated, which would be double the number of the

Main library. So obviously that is not right, they have 25% of the usage at Foothills but they have 70% of the FTEs. Can that be right? They only have 25% of the activity, but 70% of the number of people – so when you do this, could you go back over libraries?

Mr. Strunk replied yes.

Councilmember Clark asked for further clarification on why the Main library was open 43 hours a week, Foothills open 36 hours and Velma Teague 32 hours. She would like to know what the rationale was for those hours and wonders why Velma Teague was losing out.

Mayor Scruggs said the hours were actually based on actual usage. They tracked when people came in and probably, she would imagine the activity between 5:00 and 9:00 p. m. is a lot heavier at Velma Teague. She said if we get correct figures on the actual patrons and circulation that would justify why the hours are different. But she never understood it to be the same number of hours at all places. She understood it to be based on tracking that the librarians had done as to when the library was open so that we could maximize the resources where they were needed.

Councilmember Clark disagreed since the numbers developed are going to be based on last year's figures, which reflect a difference in hours open. Therefore it was not an apples-to-apples comparison because a certain number of items were circulated at a facility that is open 43 hours as opposed to 32 hours.

Mayor Scruggs asked why staff doesn't give Council what they submitted last year. Because everything was based on years of usage, nothing changed overnight. She continued staff had years of usage that they figured out – when the traffic was, what kind of usage, so forth and so on. Staff took it to the public, that's what Council talked about. Mayor Scruggs said so send Council what that was based on and what staff has seen different base on the adjusted hours. That would be a very good number to see too. Mr. Strunk noted staff does have those numbers and will be happy to share that with Council. He added Mayor Scruggs was correct in her statement of how staff had come to adjust the hours at the three libraries based on overall usages. He explained their tracking procedure.

Mr. Beasley explained the procedure used three years ago was based on the usage as well as a business stand-point the city could sustain. He noted it was not a matter of everybody gets equal time, but rather to maximize the resources.

Mayor Scruggs said so we will wait to talk about the Adult Center after staff comes back with the amended information. Is that all right? Okay, so Council, do you want to just stop talking about Parks and Recreation? Thank you Mr. Strunk and you kind of got the brunt she thought, of things, the frustration that's been building up that this didn't just turn out the way we had hoped it would.

Mayor Scruggs called for a five minute recess.

Mayor Scruggs called the meeting back to order and said next is Communications. Their budget is on pages 162 to 196.

Julie Frisoni, Executive Director, Communications, provided an overview of the department and provided the following slide information.

Marketing: Audio Visual, Public Info, Graphic Design, Web, Cable Communications, City-Wide Special Events, Tourism, Convention & Visitors Bureau, Civic Center, Media Center

FTEs: General Fund 26.5 & Civic Center 6

Salary & Benefits (A6000) \$2,781K

Internal Service Premiums (A7500) \$291K

Non-Salary (A7000) \$1,474K

(GF \$316K, Stadium Event Ops \$92K, Civic Center \$315K and Marketing Self-Sust. \$751K

Mayor Scruggs said why doesn't Council, for consistency, review this department the same way the Council's gone through every other division because then it becomes the question, which departments will Council go line-by-line or which ones will Council pick out certain things. She noted just so everybody knows, through all of these budget hearings, she was trying to establish some sort of consistency so it does not appear that the Council is going after one area or leaving another one off the hook. So, she would like to continue the same way throughout.

Mayor Scruggs said we will start on page 167, which is the audio visual division. She asked Ms. Frisoni if there was anything she wanted to say about this before she asked if there are questions.

Ms. Frisoni stated this division was new to the marketing communications department. It was transferred a year and a half ago from the Parks and Recreation Division. She noted this department manages all of the city's audio and visual needs. The staff in that division has gone down in the last year from two FTE's to one. She added it was virtually impossible to run that program with one FTE; therefore they have taken a part-time person out of the cable division.

Mayor Scruggs asked if they would be responsible for actually producing or keeping the equipment operating. What are they responsible for?

Ms. Frisoni explained they were responsible for every part of the audio services in the city, starting at purchase.

Mayor Scruggs asked in which fiscal year (FY) did you inherit this from Parks and Recreation. In FY10 or FY11?

Ms. Frisoni replied it was at the end of FY10.

Mayor Scruggs said so then your FTEs spiked up. Well it only went up one, from 35.5 to 36.5. You actually brought in two FTEs that used to be Parks and Recreation. Okay, so evidently you

lost somebody because you gained two but only went up one. But then in FY11, you dropped down to three.

Ms. Frisoni explained that six of their eight divisions have lost staff in the last couple of years and those are the numbers they see before them. She reported on the new divisions that have been added to this department in the last few years to bring them up to the eight divisions they currently have.

Mayor Scruggs said that was really what she was pointing out because from 10 you were at 36.5 and now you're at 32.5 so that is minus 4 but you had brought in other FTEs from other places but have still gone down. She continued that she may not be saying it right, but she's recognizing there has been a loss of FTEs.

Mayor Scruggs said audio visual is next.

Councilmember Clark stated that audio visual costs were \$91,926; however the actual revenue generation was \$48,341. She asked what can be done to more closely match the cost of that division. Ms. Frisoni noted the audio visual department was housed in the Civic Center and was used 60% of the time for the events held there. Therefore, one of the items they were looking at was the rate structure in that area. Staff will bring that forward when they present the budget.

Councilmember Clark indicated she would rather Council see those findings before they get to the actual budget meetings.

Mayor Scruggs said we may even see this proposal sooner. If there are a lot of proposals that are back logged that go to our budget, she said open up the flood gates and let's start hearing these things. She heard what Ms. Frisoni was saying – the city did not want to raise rates when the economy was going down, but at this point you have more than a decade of history to look at. Ms. Frisoni hasn't been here that long and she hasn't been in charge of it that long. But there is more than a decade of history. She believed there's some business the city can't afford to have, so even if the city loses some revenue, there is some business that the city is better off, if we don't take losing business and then have the staff for that type of business. So she was anxious to see what Ms. Frisoni came up with. That's just her opinion.

Ms. Frisoni agreed and added staff has already begun that process of elimination.

Councilmember Knaack commented that the city has to have audio visual and was surprised they only had one full time person doing that process. She asked if the city was in need of new audio and visual equipment. Ms. Frisoni explained staff had recently, in the past few years, evaluated what the city needed and what they needed to get rid of. She noted the department actually had a little fund that they have been able to use to update what they need. However, staff was continuing to work on a long term plan to assess what was further needed. She indicated that for the time being, they do have what they need.

Mayor Scruggs commented that she was thinking the same thing, specifically with reference to the Civic Center. To get that higher quality booking at the Civic Center, the city has to have top of the line AV equipment otherwise it can't compete. She thought in the past, again recognizing she wasn't most non-technical person here, but it seemed like the city wasn't able to meet the current needs. She thought upgrading at the Civic Center was more important than upgrading here in City Hall.

Councilmember Martinez questioned why staff had a service alternative to outsource when it would cost the city very much to do so. Ms. Frisoni noted they realized that aspect; however, they had to examine every single aspect of the department. The information provided was for the Council's information on what the cost would be to outsource.

Vice Mayor Frate commented that in the last few weeks they had been experiencing some broadcasting difficulties. He asked if that had been rectified. Ms. Frisoni stated she believed it was corrected. She explained most of the issues were on the Cox cable side and not anything the city was doing. Vice Mayor Frate remarked on the difficulty with microphone volume levels.

Mayor Scruggs asked Ms. Frisoni if there was anything she wanted to say in advance of Council's questions on the Civic Center.

Ms. Frisoni stated the Civic Center and its six full time staff are responsible for the rental, management, operation and maintenance and all administrative. In the last five years, the facility has averaged 280 event days each year, bringing 62,000 people to downtown Glendale. The Civic Center has been ranked among Arizona's best meeting and convention facilities in the past five years. She remarked that just today, they were named number one and beat the Ritz Carlton. The Civic Center is one of those divisions in the city where they generate revenue, which goes back to help pay for the cost of running the facility. She asked to provide the Council with some success numbers that will show the incredible job being done with fewer individuals. She noted that in 2008, the transfer from the general fund was \$642,000; however, last year's transfer from the general fund to operate was \$361,000. Staff has been able to cut that transfer amount by a very large amount. The revenue generated last year was \$406,000 and the true cost to the city from the general fund was \$361,000.

Councilmember Clark asked if the \$405,800 includes revenue generation from the audio and visual section. Ms. Frisoni replied yes.

Mayor Scruggs said in the early years of the Civic Center, there was a whole bunch of city use going on over there. Every meeting was held over there, which then transferred from the budgets of the departments over to the Civic Center. She thought that had been brought under control, but she would like to know about the revenue that was generated – \$425,000 FY11 revenue. Do you have any idea what percentage came from the city? Ms. Frisoni replied it was approximately 9% of that revenue was city meetings.

Mayor Scruggs said she understood there are certain events that go on like the Fire Department's Accreditation Team welcome and so forth, and that is a big deal. However, she hoped that the

individual little department meetings where they run over and use the Civic Center has come to a stop.

Ms. Frisoni noted that aspect has completely stopped.

Mayor Scruggs said so now when you say 9% of the usages for the city; it might be something like the Annual Volunteer Recognition Breakfast and Diversity events?

Ms. Frisoni replied yes.

Vice Mayor Frate asked if staff had looked at possibly selling or leasing it to a management company instead of reducing staff members. He asked if the Civic Center was paid for.

Mayor Scruggs said it is unless there is some surprise. She knew it was paid for at one time. Mayor Scruggs said Council asked about a number of buildings that are owned by the city which might bring some revenue and reduce general fund expenses.

Ms. Frisoni said that question has come up and has been looked at. She explained interested parties have commented on the lack of a nearby hotel. She noted that Mesa had the same issue; however, they did have a hotel nearby and still has not been able to sell it. Staff will continue to look at this issue. Additionally, another aspect to look at regarding this issue was the partnership the city has developed with the merchants downtown and the benefits derived by the Civic Center funneling attendees to their establishments. She noted that guests attending events that don't include meals in the Civic Center often visit nearby restaurants. She reported that the increase in restaurant business was between 5% and 25%.

Vice Mayor Frate asked how vendors that need to order food for meetings work with the Civic Center. Ms. Frisoni explained their first choice was for the attendees to stay and buy food at the Civic Center; however, when the attendees are on their own for lunch, they visit nearby restaurants. Therefore, there was no competition.

Councilmember Lieberman stated he wanted to brag about the Civic Center and believes it was a great thing for Glendale. He believes it was extremely well run and takes much pride in talking to people about the center. He thanked everyone involved and added a good job all the way around.

Councilmember Knaack commented she was the one bringing up selling city assets, but believes they should take a look at selling this facility in the future when things look better in the economy, not now. She stated the service and food were always excellent at the facility as well as the people who run it.

Councilmember Clark agreed the Civic Center was an asset to Glendale; however, it was not a core service. She explained staff's proposed budget was \$742,371 to run it next year and their revenue projection was \$425,000, but \$50,000 of that was AV. Therefore, there was a deficit of \$367,371. She asked what staff was doing to offset these costs in order to bring things more in

line. Ms. Frisoni noted staff believes the subsidy will be less next year because of increased revenue on the audio and visual side as well as additional revenue numbers. She reiterated her first comments of raising their rate structure as a possible stabilization method. Councilmember Clark agreed and added the city needed to figure out a way to more nearly make things pay for themselves, or else they are going to end up subsidizing departments year after year. She noted that bottom line for the city was they were spending more than they were bringing in.

Mayor Scruggs said she'd point out one more not-happy fact; everything seen in A-6000 has furlough taken away and that is not a decision that has been made yet so that would be another \$25,000 to \$30,000. Mayor Scruggs suggested a possible partnership; probably it will be very small, but Councilmember Clark is saying, "How can you bring in more business"? The Women's Club is just down the street from the Civic Center, and they are trying really hard to keep their club going and so forth and they have tried to rent out their facility. She noted two of the members came and met with her a few months ago and everything. They have posted a little sign up front "club house for rent" but she didn't know if somebody will try to call and rent it. She suggested maybe there is some way for the people that can't afford our Civic Center, but want to have an event in Glendale, which still then helps the downtown merchants. Maybe Ms. Frisoni and Mr. Brown can meet with some of the Women's Club leadership and do some sort of a matching thing that they would pay a fee or a percentage or something. She continued right now they are getting very little, but they want to rent their facility out. She said she was just throwing it out there as an idea. She even thought about the Lutheran Church, and she thinks they have a nice meeting facility there with kitchen and everything. Staff might think of whoever else is down there that is trying to also augment their income and if somebody can't afford the Civic Center, maybe the city can keep them in downtown Glendale in one of the other places and they will pay it a portion.

Ms. Frisoni stated it was an excellent idea and they will look into it.

Councilmember Lieberman commented on the issue regarding building a hotel nearby. He believes having a hotel nearby would be a great asset to everyone and the Council should be actively working on that aspect when the money becomes available. He stated the Civic Center has his full support and he loves it there.

Mayor Scruggs said she had some comments to make about special events. And that is – the more the city can do to enhance the vitality of the businesses in the downtown area – in her personal opinion – the more the city is helping the neighborhood in that area. The more that people come in and businesses are thriving, it enhances property values and it enhances the overall perception of the downtown area or Centerline area. As a quality place to live and having that foot traffic down there that is an asset to our city in a lot of ways. She said so it's a very difficult decision and she applauded what Ms. Frisoni had done in keeping expenses under control. She continued that this is one example of where staff evidently decided that they weren't just going to rock along and well if it is done differently things aren't going to be as good, staff actually did something about it and ended up number one in the book of places to rent. Mayor Scruggs said the decision about looking for cash through selling assets is not a reflection on the

operations. She believed having people come to our downtown area, whether it is for this or special events benefits the health of this entire city.

Mayor Scruggs said next Convention Media Parking – we're talking about out at Westgate area, right? This is quite a mess because there are a lot of things that move around in here, she didn't know if they are all in this budget book. So do the best you can in leading Council through this, but there is more to this story than what is in this book.

Ms. Frisoni explained her portion revolved around the Expo Hall and Glendale 11. The facilities they are talking about were part of John Q. Hammons Luxury Hotel and Conference Center and parking space in their Sport and Entertainment District. She explained her budget consisted of two line items; one of them supports the utility and building maintenance. She stated she was breaking it apart like it was in her budget.

Mayor Scruggs asked if the web video library and streaming contracts are under the media because that's where the Channel 11 station is. Is that why she couldn't find it?

Ms. Frisoni explained it was really for bookkeeping because the cable administrator oversees the web and the budget for that line item.

Councilmember Clark asked to discuss the web. She stated they were up to \$31,475 and assumes that was between the equipment and the one person that manages web content. Ms. Frisoni replied there was more to it. Mr. Frisoni explained the marketing budget was laid out in divisions. The web department has two staff members and the cost for them is \$160,000. Additionally, in the marketing budget there was \$14,000 attributed to equipment. The \$17,000 figure shown was for the Granicus system that allows them to stream live video over the internet as well as archive it.

Mayor Scruggs asked if that was what's happening right now?

Ms. Frisoni replied yes. She added that most valley cities have a contract with them.

Councilmember Clark discussed the dismal numbers on YouTube and believes they were lower on cable. Ms. Frisoni explained the total number of videos viewed on the city's website last year on GlendaleAZ.com was 360,000. She said that was an incredible number of people coming to the website looking at Council meetings and other programs. Councilmember Clark remarked the number of viewers that viewed Glendale programming was not many. She believes YouTube was the wave of the future; therefore the city needs more relevant obtainable programming there. Ms. Frisoni noted that YouTube only allows two to three minutes snips, which was a completely different entity than what Granicus does. She indicated that for many, Granicus was the only way the public was connected to city council meetings.

Councilmember Clark noted she understood the difference between the two; however, was mindful that they were fast becoming an instant generation. She was very interested in the programs they were working on for the web and on YouTube rather than original programming.

Ms. Frisoni agreed and offered that was why they were now so involved on the social media front. She said that everything they do on Channel 11 was repurposed on their website, whether it was on YouTube or a complete program on the web. Councilmember Clark wondered what the cost was for programming on Channel 11 and if they were getting enough bang for their buck.

Mayor Scruggs said she didn't know if it's Granicus or it's something else, but she thought one of the greatest things that happened in a long, long time and it certainly goes to citizens being able to have information if they choose to have it, is having the videos online. Whether you go to the City Clerk's website, and instead of reading those minutes which are contracted and difficult to read, whatever, you can listen to what somebody actually said, which may often be different from what has been reported. She continued it is the best thing – when people say “well you said such and such or Councilmember Clark said”...so just watch the video and hear what people say. And thank you for that service. If that's all we got for \$17,000, she thought that was worth it because now everybody who has their own computer or goes to the library or whatever can actually hear what goes on – not just at these meetings, but at workshops, which is really where a lot of the discussion happens.

Mayor Scruggs said we've got 15 minutes until she called this meeting to a recess for lunch. So does Council want to go to conventions and media and parking?

Ms. Frisoni stated that in her budget for media convention and parking were all the costs associated with the maintenance, cleaning, landscaping of that facility. She noted the nondiscretionary line items were about \$127,721, which accounts for utility, building maintenance and landscaping on a yearly basis. There was nothing extra at the end of the year; therefore this covers the full cost of that facility to run. She said this department also included the Technology Replacement Fund (TRF) money. She explained the areas she had control over was the one FTE and the A-7000 line item which was \$35,750. This covers maintenance and purchasing of the visual side for Channel 11, the Media Center, as well as in Council Chambers.

Councilmember Martinez asked why 10891 was not broken out separately like the others and shown in the boxes. Ms. Frisoni stated staff just tried to put the full cost of that facility in that one box for them. She noted she has that broken down in her book, but decided to just provide that information in full.

Mayor Scruggs said Councilmember Martinez, on page 170; one person is in the box. She said she didn't understand what the question was.

Councilmember Martinez stated he realized his error.

Councilmember Clark stated she was still confused with the totals provided and needs further clarification. Ms. Frisoni stated that all the items on page 170 will total what is on page 171.

Mayor Scruggs asked is that A-7500 for \$142,993, that's not broken out any place here which must be some other accounting thing. So what is that A-7500? That is what boosted it up to a number different.

Ms. Schurhammer explained the finance department asked the various departments to leave out the A-7500, which are internal service premiums such as technology replacement funds, etc. The total is shown on page 171.

Mayor Scruggs said she didn't know if Council has seen that in the other departments or we just haven't caught it but, that's what is raising the question, in Councilmember Clark's mind. We are having these other numbers and suddenly we have another \$142,000, which points out exactly what we talked about before. This tremendous moving around of money to funds...these funds over here that gives a distorted picture of the whole department. She said so if you were looking at this particular division here, a third of it goes to these internal premiums for gosh knows what.

Ms. Schurhammer noted staff has shown it the same way for all the departments.

Mayor Scruggs said Council just hasn't picked up on it, she guessed Ms. Schurhammer was right.

Ms. Schurhammer explained the reason this fund stands out so much was because this department has so much equipment and as a result, the TRF premium was significantly higher than Council would see any place else.

Mayor Scruggs said in utilities guess what A-7500 is there at \$5,863,769; there it is again – total salaries plus the A-7000 accounts come to \$38 million. So \$38 million, so now here is another \$6 million so we are looking at what, 20% or something? These numbers are absolutely huge and it's just moving this money around and building up the budgets.

Ms. Schurhammer stated the total cost for the TRF is shown on page 379 for the information technology department.

Mayor Scruggs said but there are other funds too. Don't the departments have to transfer cars and transfer for use of human resources there are a lot of other transfer besides TRF premiums.

Ms. Schurhammer noted there were transfers for technology, vehicle replacement, worker's comp and risk management. She indicated when they bring the budget back to Council; they will make sure the total amounts are very clear.

Mayor Scruggs said whether it's Ms. Schurhammer's department or somebody else's department – when Council tries to see what the real costs are, they need to keep in the back of their minds that the departments have no say over all these internal charges that are just put on top of their budget. She continued that Council is trying to figure out what it costs to provide a service, not to fund other departments in the city - it becomes very frustrating.

Mayor Scruggs asked when staff talks about the Media Center, she needed to picture in her mind where that ends; does it go into the hotel conference facility where we go for dinners and events? Does it just end at those doors there, what we call the Expo Hall? Mayor Scruggs said she was surprised Ms. Frisoni hadn't brought it up that the facility brings in \$350,000 a year in revenue. So while we are going crazy on this thing, but you said that there was 200 event days a year. What are they? She didn't even know what goes on there. There are 200 events? That is huge.

Ms. Frisoni stated that the total cost for that building was \$427,000. Over the last three years that facility has averaged \$380,000. There were 195 event days, which includes all the rentable space in the building, including the studios and the 3rd floor. She stated that revenue was being generated just under, on average, \$400,000 a year in just its 4th year of operation.

Councilmember Clark stated it basically paid for itself since it was just \$27,000 short. Ms. Frisoni believes that number will grow as they come out of the recession.

Mayor Scruggs said its 11:30 a.m. and we will take one more question on this particular section and we will come back and pick up where we left off.

Councilmember Lieberman asked for further clarification. Mayor Scruggs explained the confusion was in all the transfers and the exclusion of the A-7500 accounts in the departments. She continued that the A-7500 accounts were those that the individual departments did not have the ability to modify the budgeted amounts as they were technology replacement, vehicle replacement etc.

Mayor Scruggs called for a lunch break from 11:28 a.m. to 1:00 p.m.

Mayor Scruggs called the meeting back to order.

Julie Frisoni, Executive Director, Communications, provided a brief summary on the cable department. She commented that Glendale 11 is the city's government cable station and has been such for 30 years. It provides up to date information and for some people it is the only way they are able to see Council meetings and what happens in the city.

Councilmember Clark commented that in the information it shows Glendale 11 reaches approximately 150,000 Glendale residents on Cox cable. She asked if they had any figures for actual viewership out of that 150,000? Ms. Frisoni explained that an ASU study showed that 80% of Glendale residents were aware of Glendale 11 and at least 65% had viewed programming on the station. She noted everything done on television was repurposed on their website. She stated those programs had 360,000 viewers last year. Councilmember Clark asked if they could possibly do original programming on the website and bypass television. Ms. Frisoni remarked that it was possible, but did not recommend it. She noted 66% of the population still found television to be their main source of news and information. She added they had no programming budget for Channel 11.

Councilmember Clark commented on everything going mobile with smart phones and tablets, which was another thing to think about, reprogramming the material for mobile devices. Ms. Frisoni agreed and explained why it was so important for the television and the web department to work together. She noted staff was unveiling some new applications for the CVB, which answered Councilmember Clark's question of staff looking to the future. She said the city was a leader in television and the web in Arizona. She indicated the department was transitioning and using their website to repurpose what they have available to them.

Councilmember Knaack commented that she agrees that people are going to the web more and believes that is where the city should be transitioning. However, she still believes no one watches Channel 11, even with the statistics provided. Therefore, she was not doing any more Glendale Today shows since she was very disappointed that no one watched a very important and educational show on water she had done. She explained that in the two weeks following that program, she could not find a single person that had watched that show. For that reason, she believes they should be transitioning faster to the web and just doing web shows. Ms. Frisoni was saddened that Councilmember Knaack felt that doing the Glendale Today shows were not appealing and no one watched them. She offered her assistance to possibly market the programming better. She explained that particular show aired around the holidays, which was traditionally a very low viewing time for stations around the country. She reiterated her facts on the viewing public and the ASU study. She also provided positive viewing result information that came from the downtown merchants, Midwestern University, Banner Thunderbird, and the Arizona Republic. She read a few of the positive comments and stories provided by people who use the airwaves in partnership with the city. She stated these were all positive facts resulting from people watching Channel 11.

Councilmember Knaack commented the show she did on car seats was viewed more on YouTube than on regular television. The same thing happened when she did the show with the canine unit. She realizes the marketing department has their facts, but just by her speaking to the community she estimates that about 10% to 20% actually watch the programming. She was concerned because a tremendous amount of work was done for these shows for a very small audience. She reiterated she still does not believe they have the viewership they think they do and was glad they were moving and doing more programming on the web.

Mayor Scruggs said if she was hearing Ms. Frisoni right, the programming doesn't get to the new technology unless you start with cable TV? Or am I wrong on that?

Ms. Frisoni replied that was how they were doing it.

Mayor Scruggs said she has listened for weeks about how one of the reasons why every library has to be open at all times is because people don't have computers in their house and they have to go to the library to use the computer. She said there are more people with TV's in their house than there are people who are going to watch this on a mobile device or any of these other new technologies. But she was trying to understand how this originates. So if we were going to go with only very modern mobile devices, whatever, YouTube, etc. and skip television – do we do away with the TV studio or do we still need some place to produce this stuff?

Ms. Frisoni stated they would still need a place to produce the segment. She added it did not have to go on the TV station, just produced to go on the website.

Mayor Scruggs asked how much does that reduce the cost of operating the TV station? So whether the city has it air on TV or if you are going to have it air on new devices, it's still the same cost. Ms. Frisoni stated she was correct. And added they are essentially getting both for the price of one.

Mayor Scruggs said Ms. Frisoni made her point but can't give the argument on one hand that people don't have computers in their home and on the other hand say, that's the way they are going to view this. She would say, the repurposing thing – she had a number of things that were produced in cable that she put on her web pages. The staff in her office and cable staff have been doing a lot of that. The city can also use their web page to advertise Channel 11. She said the city should either shut the whole thing down and then you don't have it on the internet, you don't have it on the web pages, you don't have it on anything or leave it open and try to put it in as many places as possible that was how she understood this conversation.

Ms. Frisoni stated she was correct and added staff was open to any ideas of what they would like to see or hear. Additionally, staff was also working on ideas that will get their constituents engaged in watching the Councilmember's web pages.

Mayor Scruggs said it's pretty difficult to get anything on that opening page of the city's website. Marketing controls what goes on there and she knew that her office had quite a tussle with them over something recently. She suggested the Marketing department look at how the city can use the opening page to highlight some of the things that the individual Councilmembers have done on cable TV to have it highlighted versus just making it all about – look at us, aren't we the greatest blah, blah, blah. Give some better opportunity on that opening page for each individual to maybe put something they can change, whatever. That's just a suggestion. She noted we are going to get to the Connection later, when it was brought up last year, she fought for it – this year she says do away with it. It is down to nothing by the time – the news is news it can be found 25 other places and by the time the people get it, it's all over with anyway. She continued her main thing she wanted to clear up – could we skip the cable? – can we just cut out this whole cable TV and do all these other new technology things without it and you are saying no?

Councilmember Knaack remarked that after hearing all this, there were obviously things that can be done to help programming that she was not aware of. She hopes this was a new focus for the department to work with the Council on some of these technology ideas. Ms. Frisoni stated her staff was ready to start setting up meetings with them.

Councilmember Martinez asked how many households the 150,000 residents figure translated to. Ms. Frisoni replied that figure was 31,000 subscribers.

Mayor Scruggs said it sounds like some people are saying everybody is looking at the internet. She was hearing staff say – the city can't get something on the internet unless we produce it in a

studio – which is Channel 11. But everybody is looking at it on the internet so if they are all looking at it on the internet, then why on the website doesn't the city just do something better to advertise the shows that are on Channel 11 if you wanted people to watch them. It seems like we are going round and round in circles. She said it sounds like the city can't have one without the other. So the city can have it all or can have nothing. She continued maybe that's the question - just close down the studio, which would make the city the only ones that don't televise our meetings, but whatever.

Ms. Frisoni explained they did not have to choose all or nothing, they can have both. She reiterated her staff will make a better effort to work with the Council in getting their messages out to their constituents.

Vice Mayor Frate wondered what the cost was to produce these segments since now they were in a larger studio. Ms. Frisoni explained the studio needed to move because of several serious structural problems. As far as the budget, she restated that their budget today was less than when she started working nine years ago.

Mayor Scruggs said a big part of this conversation or this informational item is not something Ms. Frisoni covers and it has to do with the amount of money transferred out of our general fund to meet the MPC debt payment. That is not in Ms. Frisoni's budget, that's someplace else, so if we are going to be real honest about what this costs, it also has to be figured in. Which gets back to then does the city sell the whole building? So far it sounds like the city has a TV station or it doesn't? If the city has one it can be used in a number of different ways. But if the city doesn't want it; then sell the whole building because that is where the expenses are, in the MPC debt.

Councilmember Clark noted she understood it was convenient to have the television studio and then reedit it, but also realizes that YouTube would not exist if everyone needed a television studio to produce material for YouTube. She said people can tape anything from anywhere these days and a studio was not essential to the production of material for the web.

Mayor Scruggs asked Councilmember Clark to explain further so could somebody be sitting out there with their cell phone or whatever and tape this whole meeting and put it on YouTube?

Councilmember Clark stated it probably would not be the whole meeting because cell phones do not have that capability.

Mayor Scruggs asked is there a way to do it? So is there some other piece of equipment out there that someone can sit out there and film this whole program?

Councilmember Clark noted it could be a webcam on the computer.

Ms. Frisoni noted they were representatives of the city and would probably not produce anything from a cell phone. She explained the procedure they use to make the programs and material presentable to the public. Councilmember Clark agreed and added she did not mean for staff to

start filming with their phones, but rather was speaking of the technology that was out there today.

Councilmember Martinez inquired if Glendale received federal dollars for the cable portion. Ms. Frisoni stated she was not familiar with that aspect since it happened 30 years ago. However, the agreement with Cox cable requires them to pay the city somewhere around a \$1 million every year for this agreement, which provides them with the airwaves and provides them with use of the right of way. This agreement runs through the end of next year.

Councilmember Alvarez commented there was a lot of repetitive programming on Channel 11. She suggested partnering with the schools or other organizations to let the citizens know what else was happening in their community, not just city issues. She believes this might increase enthusiasm for Channel 11. Ms. Frisoni agreed and added staff has done a lot of stories on the community. She noted the staff was doing that to a much greater extent on the CVB members and partnerships. She remarked they currently had a weekly broadcast in which they add new information. Councilmember Alvarez suggested possibly having a program with teachers and students from different schools providing the information and doing the segment, not necessarily staff doing it. Ms. Frisoni said staff could look into it, however, believes staff should not have to give up the creation of the segment since it was city run. She provided examples of the many different segments and information that was currently out there for viewing.

Mayor Scruggs said it's an idea to follow through with. What do we have, 10 school districts in Glendale, this is not just about two districts - we have about 10. She thought some of them have their own TV studios and cable TV. She said it might be something to pursue because usually if somebody's children are on somewhere, then all the parents are wherever their children are. And when we are talking about how to get more people to watch Channel 11, maybe when there is a show that features residents letting them know that they are on or their kids or whatever might get them to watch it more. She continued pursuing something with the schools is interesting. She doesn't know that she thought it should be free. Because then we'll build up staff so more people have to go out and film, she added the filming would at 7:00 p.m. at the school board meeting when nobody would be working otherwise. She said so there needs to be an analysis of the cost of it and if there should be a charge to the partner. She noted it's an idea worth pursuing just in terms of Councilmember Alvarez's idea of building more enthusiasm.

Councilmember Clark commented that the libraries offered a lot of children's programming. She inquired if staff repurposes any of those programs on the website. Ms. Frisoni replied staff did have a piece called Library Insider. Councilmember Clark inquired specifically about children's actual programming such as book clubs or guest speakers. Ms. Frisoni noted staff has not had the opportunity to do it in that form, however, will look into it.

Mayor Scruggs said what staff is hearing from many Councilmembers and from the Mayor, is that there is too much marketing of the city and not enough programming. She said the kind of thing that Councilmember Clark is talking about is filming a story time for those parents that can't get their kids to the library; they can see story time on Channel 11. She noted most kids will watch the same thing over and over again a hundred times anyway so even if they have been

there live, they will watch it. She said Councilmember Alvarez is saying – do less of the Glendale Full Circle or the talking stuff about we are great, we did this, we did that and more information to people to use in their daily lives. Mayor Scruggs said if she was misrepresenting anything or saying anything wrong, tell her. But she thought that's what Councilmember Knaack is trying to get to.

Councilmember Knaack asked, out of curiosity, how many Councilmembers received Cox cable? Councilmember Clark stated she gets Cox, but does not watch Channel 11.

Mayor Scruggs said she'd learned a lot and remembered the tours of the water treatment facilities, waste water treatment facilities, those kinds of things which people really like. She said that is why they watch Discovery Channel, that's why they watch the Science Channel; they like to learn things like that.

Councilmember Knaack remarked she has Cox and does watch Channel 11. Councilmember Clark commented on the rating system used to keep a program or not. She noted their rating system was looking at the number of hits they get on YouTube or on the web. She said most people were interested in police and fire information; therefore, staff should look into programs with that type of information if the goal was to get more people to watch Channel 11.

Mayor Scruggs said we need to find a way to get the information out. Mayor Scruggs said it's a dual problem: one is some of the programming could be made more interesting and let people know about the interesting programming. She noted there have been a couple of shows about the different businesses downtown that she hadn't been that familiar with that she loved and would drive traffic downtown. So maybe the talking head stuff could be on in the middle of the night or just less of it.

Ms. Frisoni stated she understands their direction and staff will be looking at their programming closely as well as finding ways to help the Council get their message out to the community. She indicated this was a very valuable tool and the city should find a way to keep it.

Mayor Scruggs said so is there agreement, so far that the city was going to keep the TV station? Yes. She said the city needs to get the word out more, because there are really fun and interesting things to watch. She said the Council is going to keep the cable studio for a while? Yes. But watch out next year.

Mayor Scruggs said now the Council was going to talk about whether the city is going to keep Special Events or not.

Ms. Frisoni stated that Special Events was on page 175 to 180. The mission of the office of Special Events was to brand and promote downtown Glendale as a destination attracting new and returning visitors to the area and foster community pride among their residents. The office of Special Events has five specific duties: producing the city's historic special events, summer bands concert series, attracting new businesses to Glendale, managing and operating the city's parking at the festivals and managing the special events application process. She explained that

starting with \$1 million as the cost, last year they generated \$436,566 and the cost of the transfer from the general fund was \$640,000. Each year for the last three to four years, they have generated about \$400,000 at their festivals and that money goes back to paying for the festivals. The figure of \$640,000 was really the true cost of what those events are costing the city in the general fund transfer every year.

Councilmember Clark inquired if the \$400,000 figure was a direct figure of revenue generation. Ms. Frisoni replied yes. Councilmember Clark asked if they had attendance figures from the Chocolate Affair, Glendale Glitters and Glendale Glows since those were probably the top three festivals. Ms. Frisoni noted that the Chocolate Affair was generally the largest festival with 80,000 to 90,000 people coming into the downtown. That is followed by Glow with 75,000 to 80,000 and Glitters also in that range.

Councilmember Clark asked for more information on the December Weekend events with a budget of \$75,000. Ms. Frisoni explained how that event has grown amazingly over the last couple of years with specific themes including music. These events are very important to the merchants in the downtown area since it draws people into the area during the busiest shopping month. She noted those weekends used to have about 10,000 attendees, currently the figure was 30,000 on a weekend in December.

Councilmember Lieberman commented he believes they split the beer revenue with the city and in one of the weekends he worked the beer booth, they made \$44,000 for the Jazz Festival. He believes the city was making good revenue from the booths at these events.

Councilmember Knaack remarked that comments from the downtown merchants were extremely positive regarding these festivals. She has seen an amazing change since last year. It really has grown and become very successful. The merchants have been tremendously appreciative to the city for all they were trying to do for the community in the downtown area.

Councilmember Martinez remarked he also receives many positive comments from residents about the festivals held downtown. He thanked the staff for the tremendous work they do on these festivals. He read from an article which featured Glendale Glitters as the fifth best festival in Arizona and best festival in the valley. Ms. Frisoni agreed the staff was fantastic at doing their jobs. She added what has helped tremendously was the constructive partnerships the city has cultivated with the merchants downtown. She added Glendale was known for their festivals. These festivals cost money; however, it also generates a great deal of revenue, not only for the city, but also for the downtown merchants.

Vice Mayor Frate commented on how important the Summer Band was to the community. This program goes on for eight weeks in the summer. He noted this brings people out in the summer time to visit the restaurants and shops downtown. There are over 100 band members that also bring their families out. He reiterated this was a great program in the community.

Councilmember Lieberman commented that because these seven events have such a positive effect on the downtown merchants, he recommends they leave this department just as it is.

Mayor Scruggs said with regard to events, staff says that they look at the things that they didn't do previously and things they're trying to do and are always looking for what works. She suggested anything with dogs. Staff did a couple of dog events and that really brings people out, plus there are so many different venues that they can advertise to the different clubs and you know, dog owners. She said she had been working on the State of the City address; there is a line in there that says – “that you cannot totally” - something to the effect - revitalize your city – “or your city can't be strong without your downtown being strong” – is the gist of it. She noted the city of Phoenix and all that they have invested and continue to invest and they are so proud of themselves and they still haven't quite come anywhere near this mark of what's been accomplished down here.

Mayor Scruggs said festivals are absolutely tremendous. This probably happens to all of Council when they are festivals; people thank the city for doing this and tell her the story about why they come to the events and so forth. She said this kind of goes to the downtown Phoenix thing, why are they trying so hard to bring activity downtown - it has to do with the eradication of blight. She continued everyone that has been here as long as she had and longer can think of what it used to be downtown. The city doesn't want to go back to that in any way, shape or form. The city having our festivals down here makes people used to coming downtown and makes businesses have a reason to open up. She said it really is a service for the entire city.

Mayor Scruggs said there was one thing to complain about...wouldn't be fair to not complain. It has to do with this parking business, parking concession; she said charging the \$10 to park in the city garage. The city built \$100,000 revenue into our budget this year because it was one of those great new ideas that the city was going to make money off of. The city put \$100,000 in there and ended up with \$45,000. She said her questions is – is it that the people aren't parking or is it that somehow or other there hasn't been an effort to – the concession service is using up \$55,000? Which is it? Why have we missed the mark?

Ms. Frisoni explained that actually what they had hoped for was \$100,000 over the next few years. Staff believed it would take some time to accustom people who attended the festivals to pay for parking when it had always been free. She explained the city staff was working the parking concessions to maximize the profits coming into the city. She noted their hope was to eventually get to that point; however, they never believed it would be in the first year. She added there had been very little complaints on parking from the public.

Mayor Scruggs said Ms. Frisoni's Council Communication presenting the idea may have said the city was going to get to \$100,000 – she remember the budget figure including \$100,000, when Council did the budget, so we need to look at that but nowhere in here does it say what it cost to run that operation and she'd been looking for that. Council knows what the net revenue is, but we don't know what the gross revenue is. Do you know what the gross revenue is? Ms. Frisoni replied it was \$75,000.

Mayor Scruggs said it will cost \$30,000 to run that operation. Okay there is a problem here. She guessed that's enough to say. She said almost half of the revenue is gone to operate it, so she

would like to suggest that Ms. Frisoni look at ways to improve that. Ms. Frisoni stated staff was already doing that. She indicated that Council will see the costs go down and revenue go up this year.

Mayor Scruggs responded right and she wanted to see the budget include a realistic amount. She continued there were three or four different items included in the revenue side of the budget for FY 12, none of which produced. Some have produced zero and some, like this, have produced significantly less. And that is a huge problem. Mayor Scruggs said also, she had questions about the special event permit application process.

Councilmember Clark remarked her office had received several complaints regarding parking. She explained that getting into the parking garage went smoothly; however, getting out was awful. She asked them to take a look at their exiting process.

Mayor Scruggs said the existing process this year had people practically driving through every level of the parking garage before they could get out. You would say “I’m trying to leave – no, you go this way.” I mean, didn’t you take a tour of the whole garage trying to get out of there and those people are just – anyway – there are some problems.

Mayor Scruggs said on the special event permitting. She’d heard so much about complaints about the permits – that only generated \$3,000 from 50 events.

Ms. Frisoni explained the only charge was the application fee of \$75. She noted that any complaints might have come from individuals that have not paid in the past since this was new.

Mayor Scruggs said 50% of one FTE’s time is committed to operating this special event even though we have zero up here in terms of FTEs. And the actual amount, if it’s 50% of one person’s time, has to be tens of thousands of dollars. And we are getting \$3,000.

Ms. Frisoni explained how this section was broken out and also explained this fairly new revenue generator for the city. She noted it was labor intensive, but a common practice.

Mayor Scruggs said she wasn’t disputing that; she was just surprised at how little the fees were. By the complaints she thought it was hundreds of dollars or something, based on what some folks were saying. So this is definitely not one of those categories that cover its costs. This is not a cost recovery thing. She asked if \$60 or whatever it is the common permit application fee in all the other cities?

Ms. Frisoni replied yes. Staff continues to check to see if they should be adjusted.

Mr. Jerry McCoy noted that the permitting fee was cost recovery. The \$75 just represented the application fee. He added that whether it was a marathon or the use of Murphy Park, as well as events in Westgate, there were numerous fees associated with the many different venues. He added that just recently, they had secured 1,500 pre-registrations for the running event at Westgate.

Mayor Scruggs said 1,500 people for that race, you have to put that on the internet or TV or something. She noted it's on March 17th, that's amazing, let's put it on the net it will get double the runners.

Mayor Scruggs called for a brief break.

Mayor Scruggs said the meeting is called back to order. The next department is Marketing.

Julie Frisoni, Executive Director, Communications, provided a brief update. The marketing budget includes the web, the public information office, administration and management divisions. She continued that if there were specific questions she would be happy to answer them.

Mayor Scruggs said 10 FTEs are assigned to these divisions, so everything is done by 10 people, is that correct? Okay, we will go in to the first section here.

Councilmember Clark noted she really had no further questions on this department.

Mayor Scruggs said she was serious earlier and she would like to hear what others think, about the Connection having lost all value to the public. It's just a one page back and front and its pretty much information that was available in so many other ways.

Councilmember Knaack stated she still liked it and finds value with the information provided to the community. Councilmember Clark agreed with Councilmember Knaack and supported the Connection and believes it still has value. However, one suggestion was for them to focus on forward materials, as opposed to immediate, since by the time they receive it, that information was unimportant. Councilmember Knaack suggested events such as the upcoming Green Festival would be a great addition.

Vice Mayor Frate wondered about the cost on this item. Ms. Frisoni stated it used to be \$20,000 when it was several pages; however the current cost for the one page was \$12,000.

Mayor Scruggs said the Connection could be moved to online and save \$12,000 annually. She had been asked what she would like to see instead. She receives booklets from other cities, they are glossy, they are colored – she gets Goodyear and Peoria's all the time. It's more like the kinds of thing we used to put out. She didn't believe they were monthly, but if the city was going to be doing something maybe we should do something that covers a wider span then advertise everything that is going on in the city coming up. But this Xerox thing that comes in our utility bill was not attractive at all. It's not attractive and it does not have timely information and it just – well if Council wants it, keep it – she was just going to drop the subject.

Councilmember Knaack hoped staff comes up with something better.

Mayor Scruggs said she didn't understand this – she thought everyone of the Council's district newsletter were in color. Why is it so expensive to do the Connection in color?

Councilmembers Knaack and Martinez stated they send nothing out in color.

Councilmember Clark noted her newsletter was expensive since it was in color. Her cost was \$5,000 every time she sends it out.

Councilmember Martinez noted that since this went out with the water bill and was only reading material, he does not see the need for it to be glossy or spend any more money on it. Councilmember Knaack and Clark stated they liked it the way it is since it was better than nothing.

Mayor Scruggs said these 10 people, she was kind of interested in how they do human resources work and it seems like they do a ton of just clerical work. Ms. Frisoni explained those were all the people paid out of the marketing budget, which includes two administration people, two in web, three in public information office, two in graphic design department and the management staff.

Councilmember Clark commented that they were increasing their FTEs by one in Marketing from 10 to 11. Ms. Frisoni explained that was a position that was moving from cable to marketing and would be responsible for both sets of duties.

Mayor Scruggs said on page 186, under options – eliminate online video or outsourcing at a cost of \$100,000 annually, updating public notices would cost an additional \$500 to \$1,000 a week in web maintenance. She asked if the outsourcing of the online video at \$100,000 annually would have any savings attached to it.

Ms. Frisoni explained that portion was if they got rid of the web division. She also explained staff had looked at several companies in an attempt to outsource and possibly save money; however, all came back costing more since that technical element was very expensive to outsource.

Mayor Scruggs asked does anybody have any questions on any of these.

Mayor Scruggs said she was going to ask a question on the Convention and Visitors Bureau. If Ms. Frisoni knew how much was spent on travel because she knew that somebody went out of state. Ms. Frisoni said that division took two trips to Chicago and Los Angeles. The figure of \$30,000 was from the CVB membership fee and not city dollars.

Mayor Scruggs said she knew about the Chicago trip, it was really kind of a neat thing. Staff made wrappers, those things that go around coffee cups so that you won't burn your hands. They took them to the independent coffee shops in Chicago and the wrapper said – no snow – zero chance of rain – all sunshine- come to Glendale, Arizona or something like that. It was kind of cool because they did research that most of the snowbirds come from Chicago or something.

Councilmember Clark asked if they were paying for souvenirs and giving them out. Ms. Frisoni explained that that line item was an appropriation authority only. She noted what they make on that line item, they use to purchase new souvenirs and sell them in shops.

Mayor Scruggs asked is there an organization of downtown merchants where they pay to belong or to participate in any of this, right.

Ms. Frisoni stated they only had the CVB, which some downtown merchants were members of totaling 37% of the total CVB figure.

Mayor Scruggs said so that would be about 35 to 40 businesses because you have about 100 members.

Councilmember Clark asked if there was any interest in the businesses creating their own downtown visitors bureau any time in the future. Ms. Frisoni said that has not been a conversation they have had at this point.

Mayor Scruggs said she didn't think they need a visitor's center. She would like to see them form an alliance that maybe helps like with the Christmas lights. Councilmember Clark agreed and said that's what she meant.

Councilmember Knaack noted that eventually it should become a business district.

Mayor Scruggs said which would be within the CVB because their reach was so much farther than I think a business district could really be. We can always hope.

Vice Mayor Frate asked if Paris in the Spring was an event that was promoted by the local businesses. Ms. Frisoni replied yes and added they were in partnership with the city and the event was very successful.

Mayor Scruggs said now we get to one that everybody is probably interested in – this is the marketing of the stadium and events - Sports and Entertainment Visitor Outreach. This money is specifically spent in that area. She asked Ms. Frisoni to tell her a little bit about this.

Ms. Frisoni explained this money came about as the result of a supplemental back in 2009. The original intent of that, since the city was a player in sports and events in the west valley, they needed some way to compete with Scottsdale and Tempe. The fund started out at about \$160,000 or \$170,000 back in 2009, which allowed them to do a lot of outreach. She noted that the budget had now been cut about 46%. She explained the importance of having this fund since the competition was very fierce to get people to visit and spend tax dollars in their cities. She said that Scottsdale's budget was \$11 million, Phoenix was \$14 million and Glendale's was \$91,000.

Mayor Scruggs asked Ms. Frisoni where she got that information.

Ms. Frisoni explained that a lot of that money came from their taxes. Therefore, Glendale was at a big disadvantage coming right out of the gate. This money was used to reach out to do the Chicago's and L.A.'s in hopes that when fans come, they know about Glendale and their hotels.

Mayor Scruggs asked is this general fund money or CVB money? Ms. Frisoni stated it was general fund money. Ms. Schurhammer explained that this 1281 fund captures a couple of divisions and departments. The main divisions in other departments were in police and fire and it addresses the costs associated with providing security out of the stadium and receives some reimbursement money. Therefore, that money goes into fund 1281 and then the general fund makes up the difference between the revenue that comes in and through reimbursements.

Mayor Scruggs said but it's all Glendale money. When we say CVB money, it's not the other members, it's all Glendale money. First you said it was CVB and she was thinking it was money from members, but no this is all Glendale money.

Mayor Scruggs said she had a couple of comments which should be read out loud. The city collected approximately \$8 million in sales tax revenue from the city's Sports and Entertainment district in FY2010. \$8 million in sales tax revenue. The city collected \$914,836 in bed tax revenue in calendar year 2010. She said that this was important for us to say because there are so many people saying that there is no money coming in at all from the Sports and Entertainment District and that certainly is not true. So, \$8 million in sales tax revenue and just under \$1 million in hotel revenue.

Ms. Schurhammer stated next was Development, Neighborhood and Human Services.

Jim Colson, Deputy City Manager, Development, Neighborhood and Human Services, addressed the item and provide a slide presentation. He stated there were no current vacancies in building safety and they do recover about 70% of their costs through the collection of fees and activity in building safety.

Code Compliance

FTEs: General Fund 19

Salary & Benefits (A6000) \$1,288K

Non-Salary (A7000) \$95K

Internal Svc Premiums (A7500) \$33K

Planning: Current Planning, Long-Range Planning & Research and Planning Administration

FTEs: General Fund 9

Salary & Benefits (A6000) \$769K

Non-Salary (A7000) \$59K

Internal Service Premiums (A7500) \$13K

Community Partnerships & CAP: N'Hood Partnership, Community Revitalization, CDBG, Community Housing and CAP

FTEs: GF 6.5, CDBG 8.8, Housing 25, CAP 7

Salary & Benefits (A6000) \$3,360K

Internal Service Premiums (A7500) \$132K

Non-Salary (A7000) \$17,611K

(GF \$275K, CAP \$1,084K, HOME \$695K,
ESG \$93, NSP III \$3,018K, CDBG \$1,555K,
Housing \$10,891K)

Councilmember Clark inquired about a self-certification safety program similar to what Phoenix was doing. Mr. Colson stated the city has looked at this program and does see some value. However, this program was just transferring the design responsibility more on to the inspectors where they need to make sure all of the city's standards have been met. They will continue to study this to see if it could be a good fit for the city. Councilmember Clark hopes staff takes a good look at this to see if they can derive any cost savings while still protecting the liability and integrity issues that the city was concerned about.

Mayor Scruggs asked how does the self-certification work.

Mr. Colson explained the city would certify the individual as qualified as long as they met the particular standards in terms of their work product and qualification, then they will be allowed to self-certify the project. Staff's concern was that this transitions the city work load from the plan review level to the inspector level.

Councilmember Martinez inquired if this could open up the city to a potential liability problem in the future. Mr. Colson stated that at the end of the day, they would have to make sure they maintain the public's safety. He reiterated staff was continuing to look at all cost savings.

Mayor Scruggs said she would challenge whether the city has liability and she would do that on the basis of – remember when we had the interesting case of Hazel Sproule and her neighbors. She continued that this was in Councilmember Lieberman's district and they had this block wall behind their houses that was built way before the Alhambra School District built the Carole Peck school there. Well, then the wall started falling down so they tried to get it addressed. And the city said they don't have anything to do with it because it would be whoever engineered the park and the retention basin and the school, the city inspected it she guessed to match what the engineers did, so it's their fault. So the school district said well it's not our fault and these poor people literally had lived in their homes for a couple of decades, their walls were falling down and nobody is responsible. She didn't think it increased liability because the city didn't seem to claim liability in the first place.

Mr. Colson noted that at the end of the day, they are still responsible and people are going to look to the city to resolve the issue. Staff wants to maintain the public's safety and quality design standards as they move forward.

Mayor Scruggs said so you said in the end we are responsible. So should we have those neighbors call the city and you turn them over to risk management?

Mr. Colson noted that was not what he was trying to say. However, at the end of the day, there was a perception that people will look to the city to solve their issues. He added they were still looking at this program; however, they still believe they do not fully understand all the potential unidentified consequences associated with this activity.

Councilmember Knaack commented she could agree with that program on projects that were small. She would not recommend this for large projects. Councilmember Clark agreed. She challenged staff to find a way to make this work in a cost efficient manner and believes it can be done.

Mayor Scruggs said the city attorney wants to say something.

Mr. Craig Tindall, City Attorney, noted that traditionally, cities do not bear legal responsibility for inspection of plans. However, he does not know if that changes through self-certification. The city would have to consider all aspects before moving forward.

Mr. Skeete stated they were aware that the city of Phoenix and the city of Chandler were experimenting with this process, as well as it working its way through the legislature. He noted staff will continue to look at this as an option. Councilmember Clark hoped the Council receives full reports on the items staff was going to look at before they presented the final budget. Mr. Skeete agreed to share that information with Council.

Vice Mayor Frate stated he would prefer Phoenix do the leg work first on this item before Glendale jumps in before knowing if this will work. He noted at the end of the day, the people in building safety do a great job. He said that staff should not sign off on anything they were not comfortable with or thought was not safe.

Mayor Scruggs said she thought the reference to the legislature was that they might mandate that we offer this. So then we don't get the chance to sit around to see how somebody else does it because the city is just going to be doing it in 90 days. Period. Isn't that what is going on in the legislature? Yes. So when they talk about the legislature, it means they are trying to require the cities to do something.

Mayor Scruggs said she brought an article from Chandler and while she had brought it in, she didn't have it. And again liked that Council talked about other departments when we say these things, it's not anything that indicates we are not happy with the people who do the job. We think they do wonderful jobs, but the loaded cost with retirement plan is just incredible and some of what is written was hard to accept. She said for example, service alternatives – alternatives to hire outside agencies to provide inspections, historically agency staff is not as reliable or as knowledgeable as staff. But remember when the city was building the arena they were very proud of having outside people in doing these inspections because they would work around the clock and we never heard anything about them being not reliable or doing the job right.

Vice Mayor Frate noted those hires were for very high technical services the city did not have in house.

Mayor Scruggs said to say that they are not knowledgeable or reliable – there are probably a lot of inspectors who lost their jobs with the city that are now working in private industries.

Mr. Colson stated those people they were talking about were actually contractual employees who worked for the city. He reiterated staff was looking at all alternatives, as well as this one, very seriously to see if they can deliver a better product faster and cheaper. He explained the project's benefits regarding the design review process phase. Councilmember Clark noted this program can be used for residential projects, not large scale ones.

Councilmember Knaack asked if they were sufficiently staffed with the building of the upcoming Tangers Mall. Mr. Colson replied they did have those people in place.

Mayor Scruggs said so she just received a message that the legislature was passing a bill mandating the city do self-certification based on the Phoenix model. She didn't know if it has passed yet or not. Well, the only point is that they don't give you any time to get ready unless they are going to give the city a year before they phase it in or something. They just pass a law and expect us to know how to do it. Okay, so we will move to Code Compliance.

Councilmember Clark commented the total amount of money reported for that budget was \$5000. She stated this was the one area where they need more money. She inquired if they could possibly get additional funds from CDBG. Mr. Colson explained they actually use about \$100,000 for this project's budget. Councilmember Clark asked why the line item stated they only had \$5000. Mr. Sam McAllen, Code Compliance Director, explained that the \$5000 was just the start portion of the fund and they had revolving funds. The city does receive CDBG funds that were geographically limited on where they could be used. Councilmember Clark asked if there was enough funding for areas that were not funded by CDBG. Mr. McAllen noted that when the city receives the money for the liens being paid off, that supports additional Clean and Lien funding. Councilmember Clark inquired as to those figures. Mr. McAllen said that for FY2012 the reimbursement funds were \$47,000 and for FY 2011 it was \$30,000. The average for the cleanup projects were less than \$200.

Mayor Scruggs asked a question regarding CDBG funding. Besides the Clean and Lien, are there other parts of the code compliance function that could apply for CDBG funding to help out pretty big budget items? Mr. McAllen noted they have looked and were always looking for any funds that would assist the departments.

Councilmember Knaack commented how much she appreciated Code Compliance and the great work they do. She noted the city has worked so hard for so many years to get to this point in Glendale of having such a clean and safe city. She would not like to see any changes in what they were currently doing as far as code compliance.

Mayor Scruggs said and once the city solved that barking dog problem, then there is nothing between code compliance and 100% perfection. We'll see that soon, right?

Mayor Scruggs said next is Planning Administration.

Mr. Colson provided a summary of the Planning Departments budget and services. He continued the Planning Department as a whole has been reduced from a total of 21 to 8 today, at least one due to retirement. Three of those are assigned to administration such as boards and commissions and daily leadership to the department. Mr. Froke, especially, addresses issues throughout the day in addition to training. They believe they have a staff that was sufficient to address the requirements that exists within the city today and going forward. However, they were stretched at the moment.

Vice Mayor Frate asked if the person that retired was at the front desk and if so how can staff replace someone so valuable to customer service? Mr. Colson explained the objective of their entire department was to continue to cross-train and to make sure they don't have any individual point of failure within the organization and they always have people who can step in.

Councilmember Clark stated she respects and admires all three departments; however, has a special spot in her heart for planning. They went from 21 employees to 8; therefore, are stretched very, very thin and have their plates full. She noted their budget was as lean and mean as it can get, therefore she would not change anything.

Mayor Scruggs asked if she could put in a pitch for Historic Preservation. She said Mr. Froke took that on when Mr. Short left and she wanted to thank him for not letting it fall by the wayside. She continued that so much has been done in the city of Glendale in the area of Historic Preservation and it's so important in our community. So please do whatever to keep that going. There has been such tremendous progress. So thank you and thank Mr. Froke for paying attention to it. I think it is really an asset to our city.

Vice Mayor Frate agreed that the department does tremendous work and has much on their plate. Therefore, believes they are stretched too thin. He believes planning was extremely important and thinks they should advocate for another staff member. He feels they were anorexic in that department that was so important to the city with things that are currently happening and were planning to happen.

Mayor Scruggs said well; let's see what happens when we get over to police. Okay, anything else? Councilmembers this was supposed to go to 4:00 p.m. and its 10 minutes after 4:00 and there is an Executive Session to go to. Do you want to keep working through this or do you want to go to the Executive Session? How would you like to handle this? Or does anyone want to get out of here?

Vice Mayor Frate remarked they were already losing people.

Mayor Scruggs said okay, we said we would go to 4:00 p.m. and she believed the meeting was posted till 4:00 p.m. and it's passed and she thought they had exhausted themselves. She continued that the Council was much too easy on Mr. Colson. And the Vice Mayor lost his mind and told him to go hire somebody so it seems like it is time to adjourn this meeting. Meeting is adjourned. Thank you.

ADJOURNMENT

The meeting was adjourned at 4:10 p.m.