

***PLEASE NOTE: Since the Glendale City Council does not take formal action at the Workshops, Workshop minutes are not approved by the City Council.**



**MINUTES OF THE
GLENDALE CITY COUNCIL SPECIAL WORKSHOP AND EXECUTIVE SESSION
Council Chambers
5850 West Glendale Avenue
September 25, 2012
1:30 p.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: Horatio Skeete, Acting City Manager; Craig Tindall, City Attorney; and Pamela Hanna, City Clerk

1. BUDGET DISCUSSION

PRESENTED BY: Horatio Skeete, Acting City Manager

The purpose of this presentation is to provide City Council with an opportunity to discuss and provide feedback to staff on the proposed reductions to the Fiscal Year (FY) 2012-13 operating budget in light of the citizens sales tax initiative that will be on the November 2012 General Election ballot.

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

The annual revenue anticipated to be generated by this increase is approximately \$25 million. Since that time, Proposition 457 (citizens' sales tax initiative) has been placed on the ballot for the November 6, 2012 General Election. The outcome of the election has the potential to have a significant impact on the city's current and ongoing operating budgets and delivery of services. As such, the City Manager has directed all departments to develop budget cuts and service reductions for review by Council.

Today's presentation will focus on the resulting service reductions from the proposed adjustments to the city's operating budget to reflect the possible loss in revenues. These cuts presented today reflect about \$20 million. The required GF operating budget reductions range is: \$6M - \$25M. The level of cuts depends on whether the sales tax increase remains in place, debt service is restructured and the amount of the arena management fee. Mr. Skeete noted that before they talk about the GF operating budget reductions, it was important to remember where they've been since FY 2009.

Mr. Skeete introduced Ms. Sherry Schurhammer, Executive Director of the Financial Services Department, who provided the summary. She said the GF operating budget has been cut by 25% or \$40M, including the elimination of over 300 FTEs. These reductions were incorporated into the operating budgets for 5 consecutive years beginning with FY 2009 and including the FY 2013 adopted budget.

After the FY 2013 budget was adopted, the city also implemented an additional \$1.1M in cuts, including 5.25 FTEs, when City Council adopted a two-tier sales tax structure. The additional FTE reductions included:

- 1 FTE in the Mayor's Office
- 1 in Communications
- 1 in Community and Economic Development
- 1 in Neighborhood and Human Services and
- 1 in Parks, Recreation and Libraries and
- 0.25 in the City Court

The \$1.1M in additional cuts related to the 2-tier sales tax system are not in the FY 2013 adopted budget because they occurred after Council adopted the FY 2013 budget. It is important to remember that there were limited reductions to the Police and Fire Departments with all of these budget actions up through the adoption of the FY 2013 budget.

Again, this workshop addresses the budget reductions required to address the operating deficit in our five year projections discussed at the Sept 12 workshop. These are additional reductions to all of those cuts already implemented.

Councilmember Lieberman stated he would have liked the Council to have received a copy of the slides being presented so he could follow along with staff's presentation.

Mayor Scruggs asked Mr. Skeete to supply a copy of everything that is shown in the meeting to Council either the same day or the next.

Mr. Skeete said that not only will they have a copy at the end of the meeting but these slides will also be posted on the website.

Mayor Scruggs asked is the amended budget posted on the website or is the first budget posted. Because once the budget was amended, the first budget was no longer accurate because both revenue and expenditures were amended. Is that posted somewhere?

Ms. Schurhammer said the amended budget is not posted with the adopted budget document but staff will do so this week.

Mayor Scruggs asked if somebody, a member of the audience or an employee or somebody from Belgium, whatever, wanted to see what the budget for the City of Glendale is for this FY, is the amended budget, which was taken by a formal vote, is that posted anywhere for anybody to see.

Mr. Skeete explained it was not posted in the same fashion as the original budget. The original budget is posted and any amendments would have to be done manually. Therefore, the amended budget is not posted.

Mayor Scruggs explained she was not trying to make this difficult, but it seems like it would be a very simple thing to put three sentences that say on such and such a date the City Council voted to amend the budget which was previously approved on June the 12th. This reduced the revenues by \$1.1 million and this reduced expenditures by so much. And this is the – and you don't have to go through the entire book but just were the changes were made. The public should see that.

Ms. Schurhammer stated staff can certainly do that this week.

Mr. Stuart Kent, Field Operations Director, continued the presentation and discussed the following cuts in services.

In Community Service Groups they are as follows:

- Close two libraries, Rose Lane Aquatic Center, three GRASP sites and delayed parks maintenance response times.
- Graffiti Busters service reduced 50% with response times extended to two plus weeks.
- Eliminate KGLN and all video on city website.
- Eliminate all downtown special events like Glitter and Glow, Chocolate Affaire, Jazz and Blues Festival.
- Building safety, code compliance staff reduced with corresponding reductions in response time
- Economic development funding reductions will curtail business attraction, revenue generation
- Eliminate downtown beautification program

Councilmember Martinez noted that along with all these presentations, they should mention something that has not been mentioned yet. The Coyotes Arena Management Agreement should be discussed to see how that fits in this plan. He expects to receive some emails from people who believe that agreement was the cause of all the city's problems. Therefore, he would like staff to discuss how that fits into the whole scheme of things.

Mr. Skeete said this issue was discussed at the September 12th workshop. At that workshop, three different 5-year budget scenarios were discussed. In two scenarios, the numbers as they

relate to the Coyotes and the arena management fee showed approximately \$72 million being a renegotiated number that the city would be obligated to pay over the course of five years of the Arena Management Agreement. This is in comparison to the \$95 million that was in the original deal. He indicated the city would still have an approximate \$6 million management fee for management of the arena without the Coyotes. He also noted that the city would still need to cut approximately \$24 million if the sales tax increase goes way. He explained the rest of the scenarios discussed at the September 12th workshop regarding the sales tax issue and the restructuring of city debt.

Councilmember Martinez noted that was what he wanted to get out. He believes there is a misconception out there that if the Coyotes stay, that was the cause of their problems. However, even if they leave, they still have the deficit as Mr. Skeete pointed out.

Councilmember Alvarez believes that Councilmember Martinez was wrong in his comment that this did not affect their budget. She noted if the city is paying \$20 or \$17 million for the Coyotes when the city does not have it, she cannot accept that. She stated the Coyotes were a luxury. She asked Mr. Skeete how much money the Coyotes had brought them in the past. Mr. Skeete explained the impact from the Coyotes being in Glendale ranged between \$2 and \$5 million in direct revenue from activities in the arena. Councilmember Alvarez noted that \$5 million does not compare to the \$17 million the city was willing to spend to keep them here. Therefore, she believes the Coyotes have a lot to do with this budget. She cannot understand why they keep moving forward with the Coyotes when they have not made the city any money.

Councilmember Martinez asked Mr. Skeete to reiterate what would happen to the budget if the Coyotes leave. Mr. Skeete explained that if they were unable to complete their renegotiations and the sales tax goes away, the city will still have to cut \$24 million out of the general fund operating budget.

Councilmember Lieberman agreed with Councilmember Alvarez's assumption of the city not having the money to spend on the Coyotes. He explained that without the Coyotes, the city can manage the arena for the \$6 million and possibly make money renting it out to promoters. However, he does acknowledge that with or without the Coyotes the city owes tremendous debt. He stated they need to find a way to keep the downtown festivals in place since that was a great part of city. He talked about how these events greatly help the merchants in downtown Glendale. Therefore, he was not sure if the merchants can survive without them.

Mayor Scruggs referred to the next slide and page 11, specifically the transfer of expenses from the GF to a self supporting fund for the tourism division expenses improving the Glendale Convention and Visitors Bureau and asked what exactly is that self supporting fund and where does it get its money?

Julie Frisoni, Marketing Director, explained staff met with the interested parties, hotel personnel and stake holders and the item was the potential loss of the CVB or revamping it and doing it differently. As a result of their discussion, they have overwhelming support to include all the costs that the city currently has in the tourism division to be transferred to the bed tax. This will

enable them to be fully self-sufficient and self-funded out of the bed tax rate increase approved at the end of FY 2012.

Mayor Scruggs commented that is good. Are the hoteliers aware that if the initiative passes that increased bed tax goes way? Ms. Frisoni stated they were aware of that fact.

Mayor Scruggs asked how does this happen, because, it only makes about \$30,000 a year for the CVB. She had always been told CVB was self sustaining and it's something like \$30,000 a year.

Ms. Frisoni explained that the Visitors Center and the staffing in the center have always cost about \$225,000 a year. She said when they transferred over to the CVB, nothing changed, except the fact they were now bringing in membership dollars which is the \$30,000. She indicated the hoteliers were not aware they were included on the sales tax initiative and were livid about that since no one had spoken to them about that fact.

Mayor Scruggs asked what was the plan. They are included, all taxes are included because everything goes back to the way it was prior to whenever those taxes were voted on. So how does this happen then? Well what she thought the exercise was, was to reduce expenses because the tax is going to go away. So how does this \$223,000 get to stay if that fund goes away? Ms. Frisoni explained the hoteliers are going to contact her and ask if the sales tax goes away that the bed tax portion remain. She noted this scenario works if the bed tax remains as the funding source for the CVB.

Mayor Scruggs commented she understood, she had championed that tax. It's the only one she championed. The only sales tax she supported because the hoteliers contacted her. Yes she understood the purpose of it and she understood the good of it. But what you are saying is what others have said, that the voters might vote that they want the initiative to go through and the taxes to be replaced with the previous tax rates. So what was being suggested then is that Council would refuse to do that after the voters voted. You can be mad, the hoteliers can be mad, she can be mad that the bed tax is included but the fact of the matter is is that it is included. So what Ms. Frisoni was saying here is that if the initiative passes, Council will refuse to take action to reverse it, she didn't want to say reverse because it's not reverse – never mind she got what was being said.

Councilmember Lieberman asked what happened to the \$67,000 they received from Arizona Sports and Tourism for the Convention Bureau. Ms. Frisoni explained those were grant funds that they receive every year from the state and those amounts varied. That money has to be spent to attract tourism from outside Maricopa County.

Vice Mayor Frate commented what is the point of everyone voicing their concerns to keep the facilities and festivals without anyone to run them if the sales tax does not go through? He noted the budget said they had this amount of money. Municipal government is a service oriented organization which is that government provides services. They are being told they need to go down to the core services. He explained the festival and the CVB are not core services. As a

result, they can sit here all day and talk about people wanting to have a festival and the CVB. However, the citizens will vote in November and decide what they want to keep or do away with. He said the bottom line is that jobs will be eliminated back to only the core services and even core services are going to be eliminated.

He stated that with 7/10th of one penny, they have people who are called carpetbaggers; these are people from outside the city who get involved in city politics. They come in and try to influence residents even if they are not from the city because they believe they are the ones that have to look out for them. He said these people were not looking out for them and only wants to bankrupt the City of Glendale. He remarked this issue of having people that don't even live here come and try to tell people what is best for them was very upsetting to him. He said that up to this point, he had stayed quiet about this issue; however, he was very tired of it. He indicated that many of the emails that have been received by the Council were in support of the sales tax in order to save services. Therefore, they should be upset with those outside people who want to take away their services and if the citizens let them, they will succeed and won't care since they do not live in the city.

Mayor Scruggs commented most of you have either attended or have watched City Council meetings and you know that she asks that you show your support by raising hands or you abstain by doing this. But let us continue our meeting if you can. She said Council's job here today, as distasteful as it may be, is to put this city in a position to implement the vote of the people that the city has absolutely no idea how this is going to turn out. None of us have any idea how this is going to turn out. The city's actions and approach to this issue can have a huge impact on if people vote for the initiative or vote against it. My belief is the city's credibility is strained to the breaking point. To the point where facts and figures don't really make any difference, people have just made up their mind what caused this problem. And, so, that is affecting how they may vote starting October 11th and going until November 6th.

Mayor Scruggs continued that Council's job is to be ready to implement what nobody wants to have happen. Council has to do this because Mr. Skeete has started meetings with bond rating agencies because a key component of any of this is the restructuring of bond debt. And if that doesn't happen then the amount of the cuts will go up quite a bit. But bond rating agencies want to know that the city was approaching this issue seriously and taking steps to implement what nobody wants to have happen. So hopefully Council could spend the rest of this afternoon productively and listening to what staff members and department heads have come up with as the way that their departments can contribute to making up the loss of this revenue. Nobody wants to do it, nobody likes it, but the fact of the matter is, Council was here because it has to be done. And she firmly believes that our approach to the public will have a huge impact on the reaction to Prop 457. So she hoped to continue to talk about these items. This is not final today as she understood it but if there are specific items that Councilmembers want removed from consideration then staff will take that back and consider it. It may not be possible to do because the number is so huge that has to be made up. Would that be a fair assessment?

Mr. Skeete replied she was correct.

Mayor Scruggs commented she was going to continue with the discussions that Council has been having. She does not think it helps solve the problem to show transferring the CVB money out of the GF to a fund that may not exist. She doesn't think that helps solve the problem. But getting to the special events and she thought the business community has become aware that there are other communities of interest that are in huge lobbying campaigns and so they have started their own. So she would say that, and she was going to read from something that was said by a business owner and resident of Glendale, that she thought described this pretty well. Not all of the events, she does not support keeping all of the events but she does support keeping Glendale Glitters, Glendale Glitters and Glow and the Chocolate Affair. And the reason is because those that have lived here for many years remember what downtown Glendale was like when there were no events to attract people down there. You remember the crime in the area because there was no reason for people to come down. Remember the shuttered buildings, and you know that translates into lower property values. She said this whole Coyotes thing, whether it's true or not, plays into people's decision about Proposition 457. It's all about bringing tourism to downtown Glendale.

Mayor Scruggs continued tourism is a key business in this city. It didn't use to be 20 years ago, or 22 years ago when she came on the Council it wasn't a key business. Nobody wanted to come near this place. So Glendale developed the festivals to bring people down here and now they can show the economic impact of doing that. But basically what this person wrote was crime will come back anytime you have an area that is dark all the time, loss of businesses, loss of property tax, and loss of revenue. She thought the city needed to look at not making cuts to those areas of the city that actually make us money. For several years, the last two to three years, every time staff came with a budget for Council to consider they said, these are the revenue enhancements that we want to build in and that was really what drove a lot of the decisions regarding cuts that were made in the past. Does this particular activity/program/department contribute to revenue? Vacant buildings are not going to help redevelopment in any way, shape or form. When people come to downtown Glendale just like they go out to western Glendale, they come from outside the city. So events are bringing in other people's money to support downtown. So she will not support keeping all of these events, but the ones that have identified Glendale and bring millions of visitors each year and are our trademark, that's the Glendale Glitters, Glitter and Glow and the Chocolate Affair should be kept in because of the revenue they generate.

Councilmember Knaack stated she had lunch with two of the downtown business owners today. She explained those festivals were about 15 days out of the year and the business owners said they do not make or break a business. However, they do give them a boost. She agrees to possibly keep Glendale Glitters and Glow and the Chocolate Affair. On the other hand, if they need to cut, they need to cut. She realizes this was a worst case scenario but believes the business owners downtown can take care of their businesses. She said most have very good ideas of what they would like to do even if there are not any events to help them. She believes there were two sides on this issue and believes the downtown owners were ready to accept some responsibility for their businesses.

Mayor Scruggs commented on the five emails she received in two hours saying without the major events that have established Glendale as a destination, are the ones that are either going to help businesses break even and/or profit on top.

Vice Mayor Frate remarked they sound like the business owners out at Westgate.

Mayor Scruggs stated that is really what she said. She said just like the city was considering giving money to one business owner in western Glendale, there are a lot of business owners who have invested their own money, bought buildings, renovated those buildings with their own money and turned them into businesses where the city used to have a deserted, not very attractive place. And long before there was a Westgate, long before there was a Coyotes hockey team – what put us on the map and brought people to Glendale really was the festivals in downtown. But there is more in these pages and Council really needed to move on since there was a meeting that night. So what other service program?

Councilmember Clark stated she had planned to say very little but will say the reality of the situation is there is \$24 million that must be eliminated from this budget. She explained the city had lost state-shared revenue over the past five years, they lost sales tax revenue but expenses continued to go up. However, the city was doing it with less and less revenue. She said five years ago, they should have been having this very same exercise but they chose not to do that. They chose to rely on their rainy day fund and make kinder and gentler cuts. As a result, there are no kinder or gentle cuts left. She said most people in her district understand the necessity of the sales tax increase and do support it. She remarked that nothing in this budget is sacred. She said no one wants their departments to have any more cuts but the reality is they do not have a choice at this point. She indicated these cuts will have to be implemented if the sales tax does not go through along with probably more. She noted there was nothing left since they were not bringing in enough to meet expenses therefore there must be cuts. The City Manager and every department head looked at their budgets and presented their cuts. She said these were the ramifications of those cuts which are diminishment of city services, closure of libraries, closure of pools and the list goes on. She reminded them they had no options left but to cut.

Mayor Scruggs commented Councilmember Clark made some key points that – don't want to miss-state her words but basically, there are no options and this is the way it is. So she was going to turn to the Council – Council was not getting very far in this. Basically the discussion here has been that the city should never be at this point and that everybody should vote against Prop 457. And you kind of laid it out that if not this then what – there are no other choices. She asked if Council should continue this exercise. Was Council saying do not take anything off the table and why we can't fight for this or fight for that or whatever?

Councilmember Clark stated they need to continue for one very good reason. She believes people should know firsthand what will occur if the sales tax is repealed. The public deserves to hear from the different department heads about the cuts that are possible. She feels it was critical to do so.

Mayor Scruggs commented that was a great idea and can we not argue about past incidents.

Councilmember Knaack agreed. She stated they are starting to do what they did at budget time which is to nit-pick things again and that was not why they were here. She explained if the Council had done this at budget time to show everyone what would happen without the sales tax increase, everyone would have been better informed. She noted they were kind of doing things backwards and explaining why they had to approve the sales tax to everyone in the first place.

Councilmember Martinez agreed with Councilmember Knaack. He hopes the public listening to the discussion can make a decision based on what they will hear from staff today. He explained these are not scare tactics, but the reality that can happen if the sales tax is repealed.

Councilmember Lieberman agreed with Councilmember Clark's comments. However, he still believes the sales tax increase should have been at a lower rate which would have helped small business more. He said they made it easy for people to go shop elsewhere that had a lower tax rate.

Vice Mayor Frate commented that under Public Works the impact would be on graffiti removal citywide from 48 hours to 14 days. He explained that in only a month's time, he was afraid what the city would look like. The recommendation is not to eliminate it but cut it in half. Therefore, he thinks this was an area that should be reconsidered.

Mayor Scruggs clarified what she has heard the majority of Council say is that they want the public to know the impact of the approval of the Prop 457. She thought Council was trying to agree and then can't remember how to do it. But Council was not going to be here trying to lobby for anything. Council was trying to inform, was what Councilmember Clark said. And so for people to truly understand what is going on. And so she thought, Mr. Skeete, that would require and she thought she heard people, some of you say, Council was not going to try and take things off the table because that is what they did in the spring which they did, Council did take them off the table. So this is going to require staff to present things a little differently than maybe they've planned. Because, the initial introduction to Community Services was based on everybody having materials to read and she understood that, and then you said, do you have any questions or comments? So based on what she heard Council saying – she was going to suggest that the person speaking for the group go into more detail as to what really the impact is to the community. And she thought she was hearing Council say they would listen. Is that right?

Councilmember Clark agreed, but added that what needs to happen is whoever gets up to speak for that group has got to outline the cut, how many dollars it takes away, how many FTE's, how many employees are lost and what the impact is to the general public. She believes those were the three critical pieces of information needed.

Mr. Skeete agreed and gave direction to staff.

Mr. Kent continued his presentation on Community Services Group.

- Building safety, code compliance staff reduced with corresponding reductions in response time
- Economic development funding reductions will curtail business attraction, revenue generation
- Eliminate downtown beautification program
- Close two libraries, Rose Lane Aquatic Center, three GRASP sites and delayed parks maintenance response times.

Councilmember Clark asked if those two libraries are closed down, how many employees will be laid off. Mr. Kent replied the total number of FTE's in the library will be 55.

Councilmember Clark asked if there has been any consideration in closing the Adult Center. Mr. Kent asked Mr. Eric Strunk, Parks and Library Director to respond.

Mr. Strunk replied they had not considered that option since it was paying 50% of itself. Councilmember Clark suggested they consider putting the closure of the adult center on the table since it does not pay for itself.

Mayor Scruggs asked if an alternative would be to offer a model where it's 100% recovery.

Mr. Strunk replied yes. Councilmember Clark agreed.

Councilmember Lieberman agreed that staff should look into it.

Mayor Scruggs asked if the Adult Center was closed entirely, what type of time parameters would be used determine whether it could not operate on 100%. The cost recovery - because the costs continue all the while - just go with the reduction that they're looking at now and then set a time parameter for 100%?

Councilmember Lieberman remarked possibly three out of the Council will not be here in 90 days and they are making decisions that the new Council may not agree with. Therefore, a repeat of this may happen in January or February.

Mr. Kent continued his presentation with the following.

- Graffiti Busters service reduced 50% with response times extended to two plus weeks.
- Eliminate KGLN and all video on city website.
- Eliminate all downtown special events like Glitter and Glow, Chocolate Affaire, Jazz and Blues Festival.

Councilmember Martinez noted that in their notes there was an option to relocate the Community Action program. Mr. Kent explained they have identified space within City Hall where those activities could be relocated. He asked if any thoughts have been given to perhaps relocating some departments from Bank of America and freeing that space for other businesses. Mr. Kent agreed that those options were on the table. Councilmember Clark asked staff to look at the

Bead Museum building as well. She noted that building has Jive Mind at a highly reduced rate. They can possibly look at obtaining a commercial user into the Bead Museum. Mr. Kent agreed but added that the market at the moment was not helpful. Councilmember Clark remarked that they were at a point where they at least needed to try everything.

Mayor Scruggs asked if there was support for that particular idea. She commented she was getting a little uncomfortable talking about a tenant that Council just entered into lease with and now are talking here in a meeting about breaking a lease with this tenant. And she wanted to know if there was support for going further with that idea? Okay there was not a majority support for going further with that. However, she thought the overall direction Councilmember Clark is trying to lead in is a good one. And that is to look at all leases. Just as last week talked about that superb economic development opportunity but it's for no rent. But gosh, probably lots of people would like to put their businesses there. So she thought the overall message is the city would look at that.

Mr. Skeete explained it was important for them to understand that during this process, no stone will be left unturned and every opportunity will be reviewed and justified.

Mayor Scruggs commented that was good and asked if that made everybody comfortable. Yes, okay thank you.

Mr. Kent continued his presentation with Public Works.

Councilmember Clark asked if the Operations Center fell under Public Works. Mr. Kent replied yes. She suggested closing the center and privatizing services of city vehicles. She would like staff to look into. She added if not total closure, then limited service only.

Mayor Scruggs commented that Council talked about that and she was not sure why it was dropped from budget discussion earlier this year. She could support looking at privatization, not closure. She didn't know where the city would take the garbage trucks and she believes those are services that are needed.

Councilmember Clark agreed and asked them to look at limited service.

Mayor Scruggs reiterated she was not approving closing it, but yes looking at limited service.

Everyone agreed.

Mayor Scruggs commented that what Council was looking at is privatization of services that are done right now in the operations center. Mr. Kent agreed to look into it and bring it back to Council for review. Mr. Kent summarized the conversation that was had on this issue earlier.

Councilmember Knaack said she would like to hear from police and fire on this issue since it will have a direct affect on their departments.

Mayor Scruggs called for a five minute break. The meeting resumed.

Ms. Schurhammer presented the following slides. She stated the internal service group includes three departments: Financial Services, Technology and Innovation and Human Resources and Risk Management. The key service of these three key departments is to provide critical business-support services to all other departments so those other departments can continue to directly serve the entire community.

She explained the Financial Services Department staffing cuts and what those cuts can signify to the community.

- Compromise internal controls to monitor and protect the integrity of budget, financial and purchasing data important to making decisions;
- Impair the delivery of timely, accurate financial info and impair the ability to maintain government budget and financial reporting standards;
- Increase the turnaround time for the issuance of checks that pay vendors for services and goods sold to the city; and
- Increase costs to our customers when using credit cards to pay for city services.

Mayor Scruggs asked if anybody would like to talk about financial services and their role. No.

Ms. Schurhammer continued her presentation on the proposed reductions for the Human Resources and Risk Management Department.

- Eliminate all in-house safety; non-safety training will compromise employee safety, increase city liability.
- Reduction in benefit issues.

Proposed reductions to the Technology and Innovation Department include

- Reduction in IT service desk staffing meaning response times will be extended from a few hours/days to weeks.
- Eliminate dedicated security administrator responsible for managing data security across city

Vice Mayor Frate commented on the extended response times from a few hours to days or weeks. Staff explained this was a worst case scenario.

Ms. Schurhammer stated the next group was Public Safety. She said both fire and police Chiefs were here to answer any questions along with Judge Finn.

Chief Black presented the following slide information.

- 66 FTEs cut (47 civilian, 19 sworn)
- 12 sworn FTEs pulled off police work to complete civilian duties will lead to significantly delayed response times to crime

- Additional sworn staff will absorb investigative support duties including sex offender notification
- All crime prevention programs eliminated

Councilmember Clark asked what kind of shop charges public safety incurs for basic maintenance of police vehicles. Chief Black noted she did not come prepared to discuss this issue, however, can bring this issue back after working with her staff. She would like the opportunity to work with Mr. Kent in prioritizing this area.

Vice Mayor Frate asked what 39 officers relate to in terms of man power in the community. Chief Black explained this reduction has the impact of less police on the streets and longer wait times for response to calls for service. Vice Mayor Frate commented this reduction created a lot of uncertainty within public safety. Chief Black totally agreed.

Councilmember Knaack wondered if they plan to have anyone at the front desk at City Hall and around downtown with these cuts. Chief Black explained that function will be retained at a reduced level through a contract service. However, they lose a lot of quality in that they would not have the same people every time. Councilmember Knaack remarked on having public safety use their personal cell phones. Chief Black explained they were looking into everything including cell phones and how much was spent. Councilmember Knaack said they did agree to look at everything but she hopes it does not come down to this since this is really nitpicking.

Mayor Scruggs commented that she had a question that nobody out there will like. She saw something recently about the total expenditure for uniform allowance. It seems like she was remembering \$800,000. Does that sound right? Chief Black replied that was in the compensation presentation. She said officers receive \$1,000 a year uniform allowance. She added additional funding was recently given this year.

Mayor Scruggs asked so that was a union contract item? Chief Black replied yes.

Mayor Scruggs commented to her uniform means, shirt and pants and shoes and socks not guns and tasers or whatever. Is that correct? Chief Black stated she was correct to a point. There is safety equipment that offices can buy that can enhance the issued equipment.

Mayor Scruggs asked how much of the \$1,000 is just for shirt, shoes, pants, socks. She noted that Ms. Schurhammer does not receive an allowance for work clothes.

Chief Black replied it was close to \$250. She added the shoes would be well over \$300.

Mayor Scruggs commented she was just going to suggest to all of you who are very concerned about jobs being eliminated and everything else being eliminated – she certainly won't support that you need to go buy your own equipment that protects you and that you need in your job. But she had always wondered why everybody else that works through the city has to buy their work clothes or uniform. What does your suit and tie and shoes cost? Never mind that. She just wanted to put that out there and she knew if the union representatives were there somewhere,

they might want to start thinking of when they are looking at losing 10 sworn officers, maybe some people can see giving up some uniform allowance, for example. It's just a thought that would be for fire too.

Councilmember Martinez said it seemed as though uniforms for police and fire were different than civilian clothing. He noted whether on patrol or in a vehicle they needed to be set apart from other people. Clothing is expensive but the uniforms all have to be the same except for rank. He understood what Mayor Scruggs was coming from but he was presenting the other side.

Vice Mayor Frate remarked that public safety was an essential core service to the community and would not like to see anything eliminated from that department. He would like his statement put on the record. He stated that people's lives were at stake. He believes the bad guys were probably listening to these meetings and hope Glendale does cut back on public safety and will no longer have the support services they once had. Therefore, he would like to go on record and say public safety is number one.

Mayor Scruggs asked if he was saying absolutely no cuts. Or was he saying as low as possible? And those other departments should absorb their proposed cuts?

Vice Mayor Frate explained that of all the departments, in his opinion, police and fire should be cut the least.

Mayor Scruggs agreed.

Vice Mayor Frate referred to her previous comments regarding uniforms.

Mayor Scruggs stated she was sorry she said that. She thought about this a lot, so now Vice Mayor Frate was saying he was worrying about uniforms. Well aren't you kind of looking for ways to save your fellow officers jobs? So it sort of seemed like that might be a place where you can start. She said maybe not an allowance every year, maybe every other year whatever. You talk about you have to carry your own cell phones, that's not exactly a bright idea as far as she was concerned. You know Councilmember Clark said at the beginning, Council doesn't like any of this stuff here today but doesn't have a choice about what was being discussed. And started talking about officers and people's lives versus what they wear and if you get paid to buy your clothes – you know – it's an idea that she felt was worth putting out there. You talk about it among yourselves, you reject it and if the Council wants to find \$4,739,769 out of the other departments in the city, lots of luck. She wasn't sure where it was going to come from. So she thought that public safety has been put first, the entire time and that is why public safety cuts have been limited to 9%. She would think that's putting public safety first. 9% over five years, so excuse her for suggesting something, but it's that desperate.

Ms. Schurhammer introduced Chief Burdick to provide information on the fire department.

- 39 FTEs cut (23 civilian, 13 sworn, 3 GRPSTC)
- 2 - 4 fire trucks shut down per day with significantly increased response times

- 10 sworn staff pulled off of street to complete civilian duties results in rolling station closures
- Fire safety, education and crisis response programs eliminated

Councilmember Clark asked to discuss the reliance on automatic aid. She inquired if the city is going to develop protocols to deliver assistance to Glendale citizens first as other cities have also done, especially with the pressure of the rolling brown out. Councilmember Clark commented that most of the calls were outside of Glendale. Chief Burdick stated they can certainly look into that; however, Glendale is their number one priority. He explained the system and how they can adjust to it.

Councilmember Clark asked Chief Burdick to explain to the public how eliminating seven sworn positions translates to browning out four fire stations. Chief Burdick stated the loss will be severe and will greatly affect response times and work proficiency.

Councilmember Knaack commented that the public needs to understand that the fire department does so many other things in the community of which most are not aware. She listed a few such as car seat safety, medical services and so forth. They do much more than just put out fires. She remarked if the sales tax does not go through, the public is going to be very surprised at what does not happen when they call the fire department for something. Chief Burdick agreed. He provided a summary of fire department services to the community. He added that without the sales tax increase it was very difficult to gauge the severity of the situation; however, they are trying to communicate it as best they can.

Mayor Scruggs commented she hadn't had an update from Chief Burdick in about two years so clearly she had missed something really important here because on page 22 the net result increased response capability beyond the current six minute response time. And she still thought the response time was four minutes. So when did it go up to six minutes. Chief Burdick stated their response time was 5 minutes 34 seconds. This is from the time the truck starts rolling to get on the scene. However, they also now include the time the station is notified and the firefighters appear on the scene which is 6 minutes 39 seconds.

Mayor Scruggs asked if that was still an A for accreditation purposes.

Chief Burdick replied yes.

Mayor Scruggs confirmed it sounds like maybe it always was somewhere around five or six but it was calculated differently so the city thought it was four, is that correct? Chief Burdick replied yes. He believes this method was a true reflection of when people can expect them to get their 90% of the time.

Mayor Scruggs commented she wanted to go back to that little issue of uniforms. Here is the situation the city was faced with. 63% of the entire GF budget goes to public safety so she didn't think Council was short cutting anybody anywhere. The city has to find \$25 million to cut out of the budget, if nothing is cut from police, fire or the municipal court, \$25 million has to come out of the remaining \$47M in the GF operating budget. That's all that's left for the whole city. And

she thought even in protecting your turf, you can understand that taking \$25 million out of \$47M decimates anything that city government has to do and probably is not even possible. So she just wanted to make that overview and maybe put things a little bit more in perspective. There is a lot of stuff that goes on that maybe nobody thinks about using all the time but it affects everybody in the whole city. And in turn affects the need for Fire services.

Mayor Scruggs commented there was \$47M and if all public safety was eliminated because she knew all these calls are coming in and the emails - do not cut one dime, from public safety, protect all public safety, no cuts. And it's really not realistic to take \$25 million out of \$47M. So that is why Council was looking at things like – the car seat program is great but, you know maybe hospitals or somebody else has to teach people how to put car seats in their cars. So that you are available for the things that nobody else can do. The core function is something that nobody else can do. And the other things are great and they add to the overall safety of the community but they can be done by somebody else. So this is all very painful, Council doesn't like any of it but she hoped people can understand why Council would even be looking at cuts in public safety. This is her opinion of course and everyone up here can and probably will or not disagree with her but she thought that needs to be said.

Vice Mayor Frate commented on the tremendous impact this will cause the community should these cuts take place in the fire department. He said this will greatly reduce the quality of life in the community. He said he cannot say enough about what the fire department does in fire prevention around the city which comes down to the simple fact that they save lives every day. He also remarked on the importance of uniforms in public safety. He related several awful stories that have happened to officers and fire personnel in the field making their uniforms unsalvageable. He thanked them for their service to the city.

Ms. Schurhammer introduced Judge Elizabeth Finn to speak on the City Court Department.

- Staffing cuts will compromise ability to comply with court mandates:
- Eliminate *pro tem* judges increasing other judges' caseload by 39%. May result in dismissals and will result in delay for public
- Eliminate 4 FTEs resulting in longer response times
- Eliminate 2 court appointed counsel contracts

Councilmember Martinez commented that many of these services were mandated by the state. He noted that in his opinion, they should do everything they can to keep any reduction to a minimum or no reduction at all in this area.

Councilmember Knaack agreed with Councilmember Martinez's comments. She also thanked Judge Finn for all she does in the court system.

Mayor Scruggs thanked Judge Finn and stated if the cuts go too far, they can be restored by a higher power whether the city has the money or not. And so thank you for all you've done to try to work within the Glendale system and not have the higher powers step in. Thank you.

Mr. Skeete summarized the following items and provided information on the Appointed/Elected Groups.

Mayor and Council

- FTE from \$1.1M cuts: 1 position in the Mayor's Office was eliminated

Councilmember Martinez asked to comment on the funding the Council receives for various projects in their districts. He believes the whole budget for the Council needs to be looked at. He realizes there have been some voluntary reductions over the years from some Councilmembers. However, right now, they were looking for money wherever they can find it and this was a good place to look.

Councilmember Knaack agreed with Councilmember Martinez. She will go farther and say this not only needs to be looked at but she suggests it has to be done. She stated all Councilmembers should be doing this not only three of them. However, in the future they can look at reinstating that fund. The Council is asking everyone else to cut but some doesn't want to cut, that does not seem fair at all. They should not be held to a different standard than anybody else.

Councilmember Alvarez stated all the money that she has received has gone out to the community. She does not spend it on going to conventions or providing refreshments. She said that every penny went back to the community. She commented on a street in her district that has been paved recently with that funding. She remarked she cannot fight everyone for these funds but would like to keep them because she knows what she was doing with her budget money.

Vice Mayor Frate explained he gave up money that he could have easily spent in his district. He noted before they had this crisis, he used to use the money to upgrade shades, some structures and parks. Therefore, he believes the right thing to do was to turn it back to the city. He said they should be held at the same level that everyone is since everyone else also needs money.

Councilmember Alvarez suggested they all take a ride to the Ocotillo and Cactus neighborhoods south of Northern, they would see they have a greater need than the others. She said the poverty in those areas was very high. She does not believe it was the Council's business to bring this issue up and that's why they had a City Manager. She remarked if the City Manager believes they were wasting money, then he needs to let them know and no one is above the law. She added it was clear that in this Council, they don't listen to the taxpayer.

Councilmember Martinez disagreed with Councilmember Alvarez and added that the City Manager does not decide what the budget should be. He explained the Council decides what the budget is going to be. He asked if he was correct. Mr. Skeete explained that he and staff make recommendations to the Council for an adopted budget. The Council ultimately makes the decision on its approval. Councilmember Martinez agreed and added he would like to recommend the elimination of the Council's funds to go into the General Fund budget.

Councilmember Alvarez remarked that the Council should read the Charter. Councilmember Martinez disagreed that the Charter said anything different.

Councilmember Lieberman stated he believes he should retain the right to give or keep those funds since they were used for his district. He added that in the past, he has given some back.

Councilmember Martinez asked Mr. Tindall if there was anything in the Charter that says that the Council cannot recommend items to the budget. Mr. Craig Tindall, City Attorney, replied that Mr. Skeete's response on this matter was correct.

Councilmember Alvarez asked if this means they don't have to follow the Charter then. Mr. Tindall replied that what Mr. Skeete said was in the Charter.

Mayor Scruggs commented that Mr. Tindall was not answering Councilmember Alvarez's question. Last spring Mr. Tindall put out several legal opinions to Council. And what he told Council that they really didn't understand was in the past was that Council was led to believe otherwise is that for example, salaries that the Council does indeed have the power to determine salaries and union contracts and so forth and so on. So she thought, she still thinks, Council was somehow - violating the Charter. She didn't know what part of the Charter that would be. But she thought the question was, does the Council have the power to set how much money goes to each member. Is that right? Okay does the City Council have the power and the authority through the City Charter to determine how much money is spent out of the City Council office and out of each Councilmember's budget if they even have a Council budget?

Mr. Tindall replied yes.

Mayor Scruggs asked through the City Charter?

Mr. Tindall said yes, through the City Charter. Council has the authority over the budget.

Mr. Craig Tindall, City Attorney, presented this item and provided the information as stated below.

City Attorney

- Decreased ability to provide in-house legal services resulting in delayed delivery of services or increased outside counsel expenses
- Limited resources to provide legal support for projects requiring outside expertise
- Narrowing of focus of prosecution in City Court

Councilmember Alvarez asked how much their total budget was. Mr. Tindall stated that currently it was approximately \$3 million. Councilmember Alvarez inquired as to the budget for consultants and fees for other lawyers. Mr. Tindall stated a large portion for these were anticipated to be cut in this process. Councilmember Alvarez suggested they cut consultant fees

and use that money for employees. She would like to see less lawyers and consultants and more employees in city departments.

Vice Mayor Frate noted that legal was reducing legal fees by \$245,000. He explained that any entity needed legal services. He said that for a city this size his office was very anorexic. Other cities half their size have more attorneys and more support services. He said even though, they still reduced their budget by \$644,000 and by three employees in this deduction process. Mr. Tindall said he was correct.

City Clerk

- City Clerk reductions will reduce and/or delay providing information to the public, media, etc.

Pam Hanna, City Clerk provided a brief summary of city clerk functions and their reduction recommendations. City Clerk reductions will reduce and/or delay providing information to the public, media, etc. She said much of what they do was mandated and required by law. However, the City Clerk's office has managed to make some reductions.

Mayor Scruggs commented that on the transcription of City Council meetings and Planning Commission and so forth, if this recommendation and the minutes go way, the city wouldn't have the meeting recordings on the website anymore for people to view. Is there a way to make the audio tapes that used during meetings or whatever for people to listen to? Because she could see where there will be times when there will be some legal action or somebody wants to go back and listen.

Ms. Hanna explained that with the new system they were now using, that would be possible since it was recorded on to a CD.

Mayor Scruggs asked if people would be able to access it through their home computer.

Ms. Hanna replied she was not sure and it was a question for the communications department. She noted that the CD's will be available through a public records request.

Councilmember Knaack remarked that this just shows how hard and how bad this is. She said that to have the Clerks department have to come up with \$16,000 worth of reductions just shows some of the things the city was losing. She says this just says it all and it's truly unbelievable.

Mayor Scruggs commented and that was part of what they have been trying to say or at least she had today. That Council just can't go and get the money out of everything besides fire and police. She did want to mention a couple of things. When Chief Burdick was up here speaking, he referred to a lot of things where there is cost recovery that Council probably has known about over the years but maybe have forgotten it. So she was going to ask if anyone else has an interest that maybe something can be put together from fire or any other department that goes to this whole cost recovery thing. So people say why are you doing this or why are you doing that and it

really has a cost recovery aspect. That is important to know. There is something in the agenda tonight and she thought it has to do with the tasers, the purchase of the tasers. She commented she was looking at Chief Black. And she was trying to remember what it was and she was going, how would the city afford to pay for that and at the end it said this will come out of RICO funds. And again there are things that may look like General Fund expenses but really they have other sources of revenue associated with them. It would be helpful to her and she didn't know if others would be interested in hearing that type of thing, if it's not too much trouble to put together.

Mayor Scruggs continued and finally the public, because at workshop, the public does not get a chance to speak and Council has all talked about what they had heard or had not heard from the public and that's the step that was missed back last spring that has contributed to some of this. She knew Mr. Skeete had a team put together to go meet with different clubs and organizations and groups. But what if there was just a meeting and anybody who wanted to come here and they didn't belong to a club or an organization. Is there a way to do this in a short time frame? Can you put a few of those together or is that a little bit overbearing or not possible?

Mr. Skeete explained this was something staff had been thinking about. Therefore, they will be ready and able to facilitate a couple of public meetings. He said he will have a staff meeting tomorrow to discuss the issue of presenting this same information to the public. Staff will get back to Council with the details. Everyone agreed with the idea.

Vice Mayor Frate said the meeting was not over and Mr. Skeete had not finished his presentation.

Mayor Scruggs asked Mr. Skeete to continue with his presentation.

Mr. Skeete provided the information below.

City Manager, Intergovernmental and Internal Audit

- Staff and other operating budget reductions will result in
 - delayed response times to citizen and council requests
 - Reduced ability to secure federal funding
 - Reduced ability to monitor and impact policies and funding allocations at the federal, state and regional level

As there were no additional comments, Mayor Scruggs adjourned the meeting.

ADJOURNMENT

The meeting was adjourned at 5:03 p.m.