

***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 WORKSHOP SESSION
Council Chambers – Room B3
5850 West Glendale Avenue
November 5, 2013
1:30 p.m.**

PRESENT: Mayor Jerry P. Weiers and Councilmembers Norma S. Alvarez, Ian Hugh, Manuel D. Martinez, Gary D. Sherwood, and Samuel U. Chavira

ABSENT: Vice Mayor Yvonne J. Knaack

ALSO PRESENT: Brenda Fischer, City Manager; Julie Frisoni, Interim Assistant City Manager; Michael Bailey, City Attorney; and Pamela Hanna, City Clerk

CALL TO ORDER

WORKSHOP SESSION

1. COUNCIL ITEM OF SPECIAL INTEREST: MOTORCYCLE TRAINING SCHOOL AT 91ST AVENUE AND ORANGEWOOD
PRESENTED BY: Jamsheed Mehta, Executive Director, Transportation Services

This report is in response to a request from Mayor Weiers to look into the possibility of generating revenue by allowing commercial use of the Brown Lot, a city-owned parking lot located on the southeast corner of 91st and Orangewood Avenues, for a motorcycle rider training school. This property is located in the Yucca District.

Mr. Mehta was joined by Debbie Albert, Deputy Transportation Director. He provided some background information on the property at 91st and Orangewood Avenues. He said this location currently provides parking for major events and is used by Kellis High School and other businesses. He said staff has gathered preliminary information and met with several city departments to begin the discussion.

Ms. Albert said this request was to use approximately 60,000 square feet of this lot to operate a motorcycle safety training school and for permission to put a portable storage

unit on site to store equipment and materials on an ongoing basis. She said there is no process for approving such a process, so several different departments met to assess this request. Concerns such as the rental rate, operations and maintenance costs, zoning and other issues were discussed. She said other properties were identified during this process for similar revenue generating opportunities. She said the financial impact of this project and city costs have not been determined. If approval is given for this project, a license agreement would need to be generated

Mayor Weiers said he was impressed with the opportunity to partner with others in a revenue generating venture that would help keep citizens safe. He is excited about exploring other opportunities to generate revenue.

Councilmember Sherwood asked what type of surface did the lot have. Ms. Albert said it was paved asphalt.

Councilmember Martinez said some of his concerns had been answered with respect to zoning and the hours of operation. He said the hours would mostly be in the afternoon on the weekends. He also said he was concerned about the residents in nearby neighborhoods and how they feel about the noise. He said with these hours and weekend usage there shouldn't be a problem. He said this is worth pursuing, but he said a lot of steps have to be taken before they are ready for an agreement. He said he didn't know how fast staff could go with this request. He said it seems like all the items on the second page of the communication needed to be taken care of at the same time while proceeding with this application. Mr. Mehta said that was correct. He said those items were staff's overall, general concerns that would need to be addressed for this particular license or all subsequent license agreements, if staff explores other opportunities. He said each site may be treated a little differently based on its location and other factors. Councilmember Martinez said when this item came before the Council for a vote; he hoped all the items of concern would be resolved. Mr. Mehta said that is correct.

Councilmember Alvarez asked for an explanation about ensuring appropriate resources were allocated for this project. Mr. Mehta said if this facility was used by other entities, it would take more staff time to periodically check on the facility for any issues that might arise. Councilmember Alvarez asked how much that would cost. Mr. Mehta said it would depend on how frequently the property is being used.

Mayor Weiers confirmed with Mr. Mehta that the lot is checked frequently already because of football parking at the lot. He suggested staff check with Glendale Community College where the motorcycle training class occurs now to discuss any problems and what to expect. Mr. Mehta discussed the arrangement the city currently has for cleanup of the lot after games. Mayor Weiers also said the city would require insurance from the operator and Mr. Mehta agreed.

Councilmember Alvarez said she was not just concerned with the cleanup of the lot; she was also concerned about the administration of the application process. Mr. Mehta said the

process will require staff time for this project, which will include several departments. Ms. Fischer said she would assign someone to oversee this program.

Councilmember Alvarez said she is concerned about adding another department and spending more money that the city does not have. She is not against this project, but if it means spending more money, she is against it. Mayor Weiers said the city would not be out any costs as the outside entity was willing to pay the costs. Councilmember Alvarez said she was concerned about future requests that might cost the city money. Mayor Weiers said he would like to see some rules established to keep the costs down.

Councilmember Martinez said the city does want to recover its costs and asked if the city would make any money from this project. He asked how much money in revenue the city could expect. Ms. Albert said they do not know what revenue the city could expect without doing a market study, but said a property of similar size at Glendale Community College rents for about \$1,100 per day.

Councilmember Martinez said the bottom line is the city would make some kind of a profit and it is a good service to provide.

Councilmember Sherwood said this idea is worth exploring and there would have to be some profit on this. He asked if this lot was originally paved for Cardinals' football parking. Mr. Mehta said yes. Councilmember Sherwood said the city would need to consider wear and tear on this lot as well.

Councilmember Hugh said this was a good use for the property and would like to move forward on this. He didn't have concerns about motorcycles wearing a pattern on the asphalt. He suggested that the area used for training could periodically be changed.

Mayor Weiers said there was a Council consensus to move forward on this item in conjunction with a process that looks at other city properties that could also be used for revenue.

2. COUNCIL ITEM OF SPECIAL INTEREST: COMPENSATION STUDY

PRESENTED BY: Jim Brown, Executive Director, Human Resources and Risk Management

The purpose of this presentation is to provide Council with background information regarding the city's compensation structure for non-represented employees and to identify the current issues being experienced with this structure.

Mr. Brown provided background and history on the compensation study and in 2004, the current market based system was implemented for non-represented employees. He went over the various factors that have to be in place to make this system work. A key component in keeping pay competitive and equitable is that the system is market-based. He said the last pay adjustment was in 2007. He next discussed merit increases which are based on the employee meeting or exceeding the performance goals set. The last merit

increase was in 2008. There have not been any market adjustments in six years, pay ranges have fallen behind the market and it is difficult to attract and retain employees. He said there is no monetary way to reward good performance, which has resulted in lower morale and increases employee turnover. Mr. Brown next discussed pay ranges and noted other benchmark cities pay ranges are at approximately 40 percent in length and the city's is 60 percent. The city's minimums and midpoints are well below average. He said today about 50 percent of the employees fall below the range midpoint in salary. These factors make the city less attractive as an employer, there is high turnover, there are equity concerns as experienced new hires are brought in equal or higher than current employees and this impacts service to the city's residents and customers. He discussed the discrepancy in pay for outside candidates and current Glendale employees with the same amount of experience.

Councilmember Martinez asked if there was a vacancy within the city, would they go internally first to fill the position, and asked how successful they have been using this process. Mr. Brown said some positions can be filled internally and they will try and open those internally first, but some more highly skilled positions may have to be opened externally.

Mr. Brown spoke about equity issues because they have had to hire new employees at higher salaries than what current employees are making. He said in the past as these types of issues have come to their attention, they have been reviewed and equity adjustments have been made. He said in the future, for transparency, these issues will have to be reviewed by the City Manager and will come before Council prior to doing anything about those employees. He said the best possible fix is to fix the system as a whole as opposed to trying to correct some of the issues through making equity adjustments here and there.

Councilmember Martinez asked if they are going to fix the compensation system, does it mean going outside, getting a consultant and doing another study. Mr. Brown said they have the in-house expertise and have reviewed the markets each year. Staff can propose structural fixes to the compensation system. Councilmember Martinez said Mr. Brown can then come back to the Council with the information. Mr. Brown said he could certainly do that.

Mayor Weiers asked what a projected cost would be for this. Mr. Brown said one of the issues is that the pay ranges are too long. He said if they moved the pay ranges to 40 percent, they would have to know how many employees would need to have their pay adjusted to bring them up to the minimum of the range. He also said they could determine where in the range employees at the bottom should be at this time to keep it fair and equitable. He said figures for both of these can be brought forward during the budget workshops. Mayor Weiers said when the economy was better, the state and cities got into a price war for good employees.

Ms. Fischer said there are about 1,600 employees and asked Mr. Brown how many employees were not represented. Mr. Brown said there are about 1,006 non represented

employees that are in the compensation system they are discussing today. He said about 50 percent of those employees fall below the midpoint of their pay ranges.

Councilmember Alvarez asked what if an employee was above the range and that employee was moved into the range, she asked if that employee would lose money. Mr. Brown said current policy says that their pay would be frozen, but he said changes would have to be made to get the pay in line with what the market would bear. Ms. Fischer said she questioned how many people would actually be above the range. She said the term is "redlined." She said that she has seldom seen an employee lose money through a compensation program like that.

Councilmember Alvarez said if salaries were lowered, then employee morale would be even lower than it is now, especially after not receiving a pay increase for many years. Mr. Brown said this would be discussed in a budget workshop session. He said city staff could do this analysis without hiring a consultant. Councilmember Alvarez said she didn't want to pay a consultant when the city couldn't make any changes to begin with. She said she did not want to lower anyone's salary, especially for those employees with the most need.

Mr. Brown said current city policy allows for redlining, so if there is a change in the pay range and an individual is above the pay range, they will stay at their current salary. He said there are not very many employees in that situation.

Councilmember Sherwood said the information presented today has shown the Council what they already knew, which is they are losing top talent employees to other cities. He said they know there is no money and appreciate the effort that Human Resources are taking to try and stop the loss of employees and correct the salary imbalances.

Mr. Brown said the turnover rate has never been higher and is projected to be over 17% this fiscal year and a reasonable rate for local government is around 8 percent. He wanted the Council to see where the city has been in the last five years.

Councilmember Martinez asked if the Memorandum of Understanding for represented employees will be coming to the Council for review. Ms. Fischer said it will be brought forward for consideration during the budget process once the represented group and the city reach an agreement.

CITY MANAGER'S REPORT

Ms. Fischer had nothing to report.

COUNCIL ITEMS OF SPECIAL INTEREST

Councilmember Sherwood commented on the issue of Council items of special interest. He would like clarification about the process for bringing these items forward. He would like to ask for a consensus from Council for each of these items of special interest to move forward.

Councilmember Alvarez would like to get a monthly report from Westgate or Coyotes instead of a quarterly report. She would like to be more transparent to the taxpayers and be able to keep an eye on what is going on. She also requested that the Camelback Ranch contracts be put on an agenda for Council's review. She said if she did not get a consensus to discuss this further, she will still do her part and bring this information to the people of her district.

Mayor Weiers announced that he and Councilmember Sherwood had just returned from Luke Air Force Base. He said there was a 92 year old employee who was officially retiring after serving 70 years out there. He said the Secretary of the Air Force visited Luke to attend a tribute to that employee. He also said there was less than a month before the city started their holiday festivities.

ADJOURNMENT

The meeting was adjourned at 2:26 p.m.