

***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 19, 2013
1:30 p.m.**

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

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. UPDATE ON DEVELOPMENT IMPACT FEES

PRESENTED BY: Stuart Kent, Executive Director, Public Works

City staff as well as Carson Bise and Dr. Dwayne Guthrie with TischlerBise will be present to update City Council on the draft Land Use Assumptions, Infrastructure Improvements Plan (IIP), and preliminary Development Impact Fees (DIF). The approval process as defined in Arizona Revised Statutes (ARS 9-463.05) for development fees is over 250 days and provides ample opportunity for the development community to provide comments and staff is seeking Council concurrence to continue with the process.

Mr. Kent explained the definition of impact fees and offered a short explanation of how they work. He then provided an overview of the adoption process and explained the recent changes to the law. He said they will review land use assumptions and infrastructure improvement plans. He said they are seeking input from the Council on those fees and will make any changes necessary.

Mr. Bise discussed key changes to the enabling legislation and said interpretation of these changes has evolved over time. He said the legislation requires three integrated products which

include land use assumptions, infrastructure improvement plan and development fees as part of a broader revenue strategy. He said there are also new level of service considerations regarding existing development as they calculate fees, and limitations on necessary public services. He indicated that refunds can be requested if improvements are not built. Mr. Bise also discussed and explained three different ways to calculate development fees. The three ways he spoke about were cost recovery, incremental expansion and plan-based.

Dr. Guthrie first spoke about demographic service areas for the city. He said the city anticipates no substantial residential annexations in the West 303 area over the next five years.

Councilmember Martinez asked if land that is already annexed is included. Dr. Guthrie said the service area applies to land that is already annexed. He said if the city cannot collect enough money to build parks and trails, there is a problem as the new development has to benefit from the fees being paid. He said they have to balance that, but they don't want to collect the money if they can't deliver infrastructure that is going to help the new development. Councilmember Martinez said when he was reading the information, he asked if the money could be put into a fund and saved and used when enough money had been collected to build a park. Dr. Guthrie said that was one of the key components of the new law. They had a very specific 10 year expenditure time frame. He said if the money hasn't been spent to benefit the community with the projects pledged, then people can ask for refunds.

Mr. Kent said the nature of development impact fees does not preclude the city from doing a development agreement where the developer may put in a park or some other amenities. He said that is a separate process from this issue. He said in preparing this issue, they spoke with all affected departments and tried to narrow down exactly what the growth was that really needed to happen. He said the city will be obligated to update its fees every five years.

Dr. Guthrie went over the type and amounts of development fees that will be collected over the next 10 years for Parks and Recreation, Police and Fire. He also discussed street facilities improvements, which included intersection and arterial lane miles for the West 303, West 101 and East Glendale. Dr. Guthrie said the infrastructure improvement for water facilities included additional surface water supply and major water line extensions and oversizing. These fees include cost recovery for surface water treatment plant that has 12.5 million gallons per day of capacity. The IIP for wastewater includes major sewer line extensions and oversizing and a project on Glendale Avenue from 93rd to 99th Avenues. The sewer fee also includes cost recovery for treatment plant capacity. He next provided information for the current and preliminary non-utility fees for single-unit residential. He went over the costs for current citywide, proposed West 303, proposed West 101 and proposed East Glendale.

Councilmember Sherwood asked how the street facilities information previously discussed related to the totals for non-utility fees. Dr. Guthrie said the dollar amount of the IIP is being allocated to the projected development over the next 10 years. Further discussion was held on the figures provided.

Dr. Guthrie explained current preliminary fees for utilities, which included water and wastewater. He said these proposed wastewater fees are comparable to nearby communities. He also

explained the current and preliminary total fees per single residential unit in the East Glendale, West 101 and West 303 areas. He went over the current and preliminary non-utility fees for nonresidential development. Only the proposed street fees vary by geographic area.

Mr. Kent said this information addressed the question Councilmember Sherwood had previously.

Mayor Weiers asked what "KSF" meant on the chart provided. Dr. Guthrie said that showed it was in thousands of square feet.

Mr. Kent reviewed the adoption process schedule and went over the specific important dates.

Councilmember Sherwood asked if TischlerBise has gone through this process with any other community. Mr. Bise said they have worked with development fees in the valley for almost 20 years. He said they have been working with Sierra Vista, Yuma and Casa Grande on their fees for the past two years. Councilmember Sherwood asked how the developers have reacted to this. Mr. Bise said in some communities the fees are going down, but consensus was reached and fees were unanimously passed.

Mr. Kent said many projects have been cut because they just are not going to be done in the near term.

Councilmember Sherwood asked a question about fees for nonresidential development. Mr. Kent said the fees generally drop by half. Further discussion was held about the various numbers in the presentation.

Councilmember Martinez said in the staff report, and it was mentioned at this meeting, that this has been shared with the Arizona Homebuilder's Association of Central Arizona and the Multi-Family Housing Association. He asked if there has been any feedback from those organizations or is it just too early. Mr. Kent said there has been no response yet, but expects a lively discussion in the next few weeks. Councilmember Martinez also said the general public is going to have an opportunity to speak. He asked how that will take place. Mr. Kent said this will occur during the public hearing process. He said the citizens are not generally impacted by this, but they will have an opportunity to ask any questions they may have.

Vice Mayor Knaack spoke about infill projects and asked if those fees would go up. Mr. Kent said if someone was going to develop some land, they would pay the fees. Vice Mayor Knaack said the commercial costs were coming down and said they would be paying less in fees. Mr. Kent said that was correct. Vice Mayor Knaack also asked about rehab or redevelopment of a property that is already there. Mr. Kent said they would not pay any difference in fees if the property had the same density. Mr. Guthrie said it would depend if it was a significant impact on the community, and the policies would be built into the ordinance. Vice Mayor Knaack said she didn't want developers to be penalized for rehabbing a property. Mr. Kent said they would take that into consideration.

Ms. Fischer asked Mr. Kent to clarify his statement that the fees would go down if a developer tore down a residential structure and built a commercial property. She added that since the fees

are based on the size of the property, the fees would probably go up since a commercial structure is larger than a residential structure. Mr. Kent said that was correct.

Councilmember Chavira wanted to bring attention to the explanation on the projected commercial development between Hwy.101 and Hwy. 303. Dr. Guthrie said the main thing was there was no water and sewer in the far west part of the city. He said the infrastructure plan is scaled to what they expect to see in the next five years. Councilmember Chavira said so attention is being paid to that area, however, in case the situation improves significantly. Mr. Kent said that is correct. He said they are being very conservative in their approach. Councilmember Chavira said he was very happy about the ability to update the fees, if necessary.

2. FIRE DEPARTMENT BUDGET DEFICIT
PRESENTED BY: Mark Burdick, Fire Chief

This is a presentation to City Council for direction regarding the Fire Department budget deficit that is projected to be \$1,328,070 by June 30, 2014.

Chief Burdick presented background on the Fire Department's current budget deficit. He said expenditures have increased slightly since 2009, but incidents have continued to increase significantly. He presented an expenditure comparison with cities of a comparable size. Chief Burdick said overtime and safety equipment are the biggest expenditures. He said budgeted figures for overtime, safety equipment and supplies have fallen far short of expenditures since 2011. He said they have tried to reduce costs as much as they can. For FY13/14 there is an ongoing structural deficit of over \$800,000 for staffing, safety equipment and supplies and there is a one time deficit of over \$500,000 for personal safety needs, such as SCBA and personal protective equipment. He said he is seeking Council direction for expenses related to one time personal safety needs. He said they could use contingency or other funding sources or postpone this until FY 14/15. He also requested direction regarding the structural deficit and the need to adjust the budget appropriately. If this issue is not addressed they will need to reduce or eliminate services to reduce costs.

Vice Mayor Knaack asked what condition the Fire Department was in right now. Chief Burdick said they are getting by with older equipment, but he said the most important issue is the high volume of calls. He said they are providing service, but he fears some equipment will be unserviceable. Vice Mayor Knaack said it is not acceptable that the Fire Department is in this situation. She said they have to find a way to fix this.

Councilmember Sherwood said he understood Chief Burdick's frustration at possibly having to close down a fire station and asked Chief Burdick if that was still a possibility. Chief Burdick said they expect to run out of funds about mid-year and they will have to reduce service in some way to handle that deficit. Through attrition, they have lost the same number of employees as an engine company. He said their only alternative is to shut down a fire station.

Councilmember Chavira said it is important to give the citizens the high level of service they expect from the Fire Department. He said they need to prepare for the future in public safety.

Councilmember Martinez asked Chief Burdick during what period they have lost 16 firefighters. Chief Burdick said they lost those employees since 2009. Councilmember Martinez asked if there were any vacant positions. Chief Burdick said there will be two members leaving at the end of the month. He said they are using that money and converting it over to use for the overtime deficit. He said they always have to maintain overtime as it is an effective management tool. They are trying to patch the hole in overtime by using vacant position funding. Councilmember Martinez asked Chief Burdick to explain constant staffing. Chief Burdick said constant staffing is the level they maintain on the trucks. He said the valley standard has been 4 personnel on each piece of apparatus. They try to follow national standards on their staff as well. He said OSHA law now requires two firefighters in and two out ready to go in to fight a fire. If staffing is reduced to 3 personnel to a truck, it will require 2 trucks on scene before staff can begin to fight a fire.

Councilmember Martinez asked staff if they had figures for revenues compared to last year. Mr. Duensing said a long range forecast will be brought forward to the December 17th Workshop. He said when he last looked at the figures; nothing really struck him as an emergency. Councilmember Martinez commented that it seemed premature for council to give direction on this issue since there are no budget figures to look at. He said once they get to hearings on the budget, the departments are going to come in with their budgets, and public safety is their number one priority. He said they will have to find a way to fund public safety at the level they need to in view of things they have heard today.

Ms. Fischer said if they don't receive direction to start looking for ways to increase the budget they will need to start looking for ways to reduce services. She said they are asking for direction if it is Council's desire to either begin finding the money or begin the process of browning out stations or engines. Councilmember Martinez directed at this point find the money.

Mayor Weiers asked Ms. Fischer if she was asking the Council for approval to find the money or to start the brown out procedure. Ms. Fischer said they are asking for approval to adjust the budget appropriately to fund the needs or to reduce or eliminate services.

Councilmember Alvarez said there is more than one priority in public safety and that includes police, fire, sanitation and water. She said when it takes police 3 or 4 minutes to respond to calls; it is a matter of life and death. She said police officers have died on the job because of that. She said a priority needs to be put on all of these departments. The Council needs to be careful where they spend their money. She said if they say find the money for the Fire Department, what will be taken away from another department. She said both residents and the police will tell you the reality of the police jobs. She said she has no idea where the money is going to come from to support the Fire Department. She spoke about the trouble the Recreation, Water and Sanitation Departments are having as well with their budgets.

Councilmember Sherwood said he approves directing staff to try and locate the funds for the Fire Department. He said all the departments need additional funding, but the topic at hand is the structural deficit for Fire.

Councilmember Martinez said public safety includes both Fire and Police. This will give staff some direction on their priorities and then the Council will have to approve or disapprove it.

Councilmember Hugh asked Chief Burdick how this budget shortfall will affect accreditation. Chief Burdick said they have to achieve certain standards for accreditation, like maintaining appropriate equipment for the firefighters. He said the reduction in service would definitely have an impact on their accreditation. He said the department might be put on notice with a year timeframe to correct the problem. If the problem was not corrected, the accreditation would be withdrawn. Councilmember Hugh asked what the next step was if the Fire Department loses their accreditation. Chief Burdick said it would just mean they lose their accredited status, which shows that the department is doing things efficiently and effectively. Councilmember Hugh asked if insurance rates would go up if they were not accredited. Chief Burdick said one of the things the insurance company looks at is if the department is accredited, so, yes, it would affect their rating.

Councilmember Chavira said public safety does mean both Police and Fire to him. He said the issue is for Council to give direction on how to handle this structural deficit. He thanked staff for bringing it to their attention now, before it is too late.

Councilmember Alvarez said they also need to look at other issues. In order to give Police and Fire more money, they need to take money from somewhere else. She said she needs to hear more from the Police Department before they give money to Fire. The Council needs to think of the city as a whole before giving money to just one department.

Mayor Weiers asked what the Fire Department needs in the future so moving forward they wouldn't need to come back for these issues. Chief Burdick said the approximately \$1.3 million requested is the best estimate they have. He said this is what they know today projecting out to the end of the fiscal year. Mayor Weiers said last year they asked for additional funds as well. Chief Burdick said the \$399,654 requested for personal protection was only \$75,000 last April when the issue was last discussed. This figure has gone up because they found out that a large amount of the firefighters' turnout gear is over 10 years old and does not meet the current standard. He also said last year they asked for additional firefighters and that figure is not included in the numbers presented today. He said they have done their absolute best at controlling costs and the numbers presented are their critical needs at this time. Mayor Weiers said he has no issues with the Fire Department's needs. He knows they don't have a choice.

Ms. Fischer said this is not an overspending of the budget; it is an underfunding of the budget. She said going forward, they will appropriately fund based on need, and they will not deliberately undercut a fund, knowing the need is greater.

Councilmember Hugh said he thought there was a date they were coming back with a funding source. Mr. Duensing said they will work with the Fire Department and look at vacancy savings that occurred to date and bring forward a proposal to fund this in one Council action. He said they will plug these numbers into their forecast going forward. Mr. Duensing explained the steps to achieve this process and explained this inter-department transfer would require Council approval.

Mayor Weiers said there was consensus to look for the money to fund the Fire Department.

3. SPECIAL PROJECT RECOMMENDATIONS - IMPLEMENTATION PLAN AND STATUS
PRESENTED BY: Julie Frisoni, Interim Assistant City Manager
Jim Brown, Executive Director, Human Resources and Risk Management
Tom Duensing, Executive Director, Financial Services

The purpose of this presentation is to provide the Council with the current status of recommendations as outlined in the final report performed by the law firm of Haralson, Miller, Pitt, Feldman & McAnally, P.L.C. (HMPFM).

Ms. Frisoni presented the actions that have been taken in response to the audit. She said the City Manager will continue to review and make changes to ensure the city is following best practices. Ms. Frisoni provided a short history of the special project which was commissioned by the City Council in February 2013. The audit was completed on August 20, 2013, and the report was distributed to city staff, the media and posted on the website. Staff was directed to implement the recommendations identified in the final report. The investigation was also submitted to the Attorney General's office on August 23, 2013 and the city is still awaiting results of the investigation. Ms. Frisoni went over each recommendation individually and gave the current status of each recommendation. Recommendations included the code of conduct training, an ethics hotline, increasing email retention period, and the city auditor reporting structure.

Mr. Duensing spoke about updating the transfer of funds' policies. He said any budgetary transfers will go before Council for approval. He said he will bring forward a comprehensive transfer policy to fit within the law and in compliance with the City Charter.

Ms. Frisoni continued to explain each recommendation and its status, including trust fund expenditures, premiums charged to departments and significant changes in trust fund premiums paid by departments. She then identified staff-initiated actions beyond the scope of the audit, which include an audit of all city expenditures over \$50,000 over the last two years to a single vendor. That audit is underway and should be completed in December 2013. The City Auditor is also performing a follow-up to the 2013 Risk Management Trust Fund Audit. This will be completed in December 2013 and will be provided to the Council. Finally, the City Manager asked for a review of all telecommuting procedures. This review found no abuse of the system. Ms. Fischer has asked Human Resources to develop a telecommuting policy to better guide city staff. It is anticipated this policy will be completed in the Spring of 2014. Most of the recommendations from the audit are completed and staff will report to Council quarterly until the remaining recommendations are implemented.

Councilmember Alvarez said she is concerned about the code of conduct about the higher up employees. She asked who was going to answer the ethics hotline. She said she felt the Council itself needed training on code of conduct and ethics training. For Risk Management, she said citizens should sit on the board with no councilmembers on the board. She said community members get intimidated when councilmembers sit on the boards. She said the auditor should report directly to the City Manager and not to the Council. She went over each item of the special project and said they needed to concentrate on the people who still work for the city who knew what was going on.

Councilmember Martinez said there were very serious charges and insinuations that were just made to staff. He asked Councilmember Alvarez to send her information to the Attorney General. She said she has done that. He said the Council does have a code of conduct and a code of ethics. He said if no training has been provided, it should be done. He also said there was talk about budget today. He said this Council and Councils previous to this have had \$32,000 in discretionary funds. He has asked for several years to reduce that money. He said the Council should take an official action to reduce that amount, and there would be \$96,000 to provide to Police or Fire, or whichever department needed it. He said he has brought this up before, but it never gets consensus.

Councilmember Alvarez said she spoke about the money the Council gets and also suggested Council paychecks be lowered as well. She said it is wrong for the Council to give up money, and have it spent foolishly on other things.

4. COUNCIL ITEM OF SPECIAL INTEREST: BALLPARK BOULEVARD EXTENSION THROUGH GLENDALE MUNICIPAL AIRPORT
PRESENTED BY: Jamsheed Mehta, AICP, Executive Director, Transportation Services and Stuart Kent, Executive Director, Public Works Director

Staff is seeking direction from Council regarding alternatives to extend Ball Park Boulevard.

Mr. Mehta asked the Council to consider a new alignment of Ballpark Boulevard, in Phoenix, to Glen Harbor Boulevard, in Glendale. He said this item was requested by Mayor Weiers to investigate whether economic development could come from this. Mr. Mehta also provided some history on Ballpark Boulevard and explained the process in more detail of how the roads were to connect and the cost of each option. He said there is no funding for any of these options at this time. He suggested adding these to the transportation master plan as part of the next update. This would allow the assessment of all the other transportation needs of the city at the same time.

Mayor Weiers said this does allow some opportunities and options with the future planning of these roadways. Mr. Mehta said if it were in the plan, it would provide an option to seek additional funds for this project. Mayor Weiers said this would open up some economic development options.

Vice Mayor Knaack asked if there was any time frame on the other agreements with the baseball teams about completing another exit. Mr. Mehta said there are several other conditions that have to be met in those agreements for the city to be obligated to build the roadway. Vice Mayor Knaack commented said she doesn't see this happening for a decade or more and said the much bigger issue is the parking at Westgate. She also said she continually gets emails about grass growing in the cracks in the streets. She said the city needs money for these projects and that is her priority.

Councilmember Martinez said if there was a little piece of good news, they are meeting the timelines for the traffic in and out, so this does not pose a problem right now. He said he would like to see this in the transportation plan. He said this was not airport property, but asked if this

was in the transportation plan, would the city be able to get any federal money to assist with this project. Mr. Mehta said the other two considerations are on airport property and would require the FAA to get involved in the project. He said the Aviation Division of ADOT at the state level could possibly assist with an access road project. He said it would definitely help if this was in the master plan. Councilmember Martinez said it would not hurt to get this into the plan so at least it's there when the time comes.

Councilmember Hugh agreed with Councilmember Martinez's comments. He understands there is no funding source.

Mayor Weiers said there is no plan to do this, but they are thinking about plans for the future.

Vice Mayor Knaack asked Mr. Mehta if he recommended putting it in the plan. Mr. Mehta said this was a six to nine month process and there would be opportunity for businesses and citizens to get involved and provide input. Putting it in the transportation plan would help prioritize the urgency.

Mayor Weiers said there was City Council consensus to put this in the plan.

CITY MANAGER'S REPORT

City Manager Brenda Fischer advised she had nothing to report at this time.

COUNCIL ITEMS OF SPECIAL INTEREST

Councilmember Alvarez said she would like to discuss the homeless issue. She also wanted to get some information on the ordinance regarding naming of the parks.

Mayor Weiers said during his recent trip to Seattle, he found out about the possibility of the city partnering with Home Depot to work with Habitat for Humanity for Veterans.

ADJOURNMENT

The meeting was adjourned at 3:45 p.m.