



**MINUTES OF THE  
GLENDALE CITY COUNCIL MEETING  
Council Chambers  
5850 West Glendale Avenue  
November 13, 2012  
7:00 p.m.**

The meeting was called to order by Vice Mayor Steven E. Frate and the following Councilmembers present: Norma S. Alvarez, Joyce V. Clark, Yvonne J. Knaack, and Manuel D. Martinez.

Attending telephonically: Mayor Elaine M. Scruggs;

Also present were Horatio Skeete, Acting City Manager; Jamsheed Mehta, Interim Assistant City Manager; Craig Tindall, City Attorney; and Pamela Hanna, City Clerk.

Mayor Scruggs called for the Pledge of Allegiance and a moment of silence was observed.

**COMPLIANCE WITH ARTICLE VII, SECTION 6(c) OF THE GLENDALE CHARTER**

A statement was filed by the City Clerk that the 3 resolutions and 3 ordinances to be considered at the meeting were available for public examination and the title posted at City Hall more than 72 hours in advance of the meeting.

**APPROVAL OF THE MINUTES OF THE OCTOBER 23, 2012 CITY COUNCIL MEETING**

It was moved by Clark, and seconded by Knaack, to dispense with the reading of the minutes of the October 23, 2012 Regular City Council meeting, as each member of the Council had been provided copies in advance, and approve them as written. The motion carried unanimously.

**BOARDS, COMMISSIONS AND OTHER BODIES**

**BOARDS, COMMISSIONS AND OTHER BODIES**

PRESENTED BY: Councilmember Manny Martinez

This is a request for City Council to approve the recommended appointments to the following boards, commissions and other bodies that have a vacancy or expired term and for the Mayor to administer the Oath of Office to those appointees in attendance.

**Audit Committee**

Art Dobbelaere	Cholla	Appointment	11/13/2012	01/02/2013
Roger Schwierjohn	Sahuaro	Appointment	11/13/2012	01/02/2013
Vice Mayor Steven Frate	Sahuaro	Appointment	11/13/2012	01/02/2013
Councilmember Joyce Clark	Yucca	Appointment	11/13/2012	01/02/2013

**Aviation Advisory Commission**

Robert Irons Jr.	Cholla	Reappointment	11/24/2012	11/24/2013
Victoria Rogen	Mayoral	Reappointment	11/24/2012	11/24/2014

**Citizens Transportation Oversight Commission**

William Sheldon	Mayoral	Reappointment	11/25/2012	11/25/2014
Joyce Stribling	Yucca	Reappointment	11/25/2012	11/25/2014

**Commission on Neighborhoods**

Davita Solter	Sahuaro	Appointment	11/13/2012	06/30/2014
Leslie Sheeler	Ocotillo	Appointment	11/13/2012	06/30/2014
John Geurs – Vice Chair	Ocotillo	Appointment	11/13/2012	06/30/2013

**Community Development Advisory Committee**

Matthew Versluis	Barrel	Appointment	11/13/2012	07/23/2014
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**Glendale Municipal Property Corporation**

Ron Cantrell	Yucca	Reappointment	12/01/2012	12/01/2013
Art Dobbelaere	Cholla	Reappointment	12/01/2012	12/01/2013
Donald Knafels	Cactus	Reappointment	12/01/2012	12/01/2013
Leland Peterson	Cactus	Reappointment	12/01/2012	12/01/2013
Roger Schwierjohn	Sahuaro	Reappointment	12/01/2012	12/01/2013
Leland Peterson – Chair	Cactus	Reappointment	12/01/2012	12/01/2013

**Library Advisory Board**

Susan Sommer	Cactus	Appointment	11/13/2012	04/13/2014
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**Personnel Board**

Herbert Haley	Yucca	Reappointment	12/22/2012	12/22/2014
Bud Zomok	Ocotillo	Appointment	12/22/2012	12/22/2014
Richard Westby – Chair	Mayoral	Appointment	12/22/2012	12/22/2013
Herbert Haley – Vice Chair	Yucca	Appointment	12/22/2012	12/22/2013

**It was moved by Martinez, and seconded by Knaack, to appoint Art Dobbelaere, Roger Schwierjohn, Vice Mayor Steven Frate and Councilmember Joyce Clark to the Audit Committee; Robert Irons Jr. and Victoria Rogen to the Aviation Advisory Commission;**

**William Sheldon and Joyce Stribling for the Citizens Transportation Oversight Commission; Davita Solter, Leslie Sheeler and John Geurs to the Commission on Neighborhoods; Matthew Versluis to the Community Development Advisory Committee; Ron Cantrell, Art Dobbelaere, Donald Knafels, Leland Peterson, Roger Schwierjohn and Leland Peterson to the Glendale Municipal Property Corporation; Susan Sommer to the Library Advisory Board; Herbert Haley, Bud Zomok, Richard Westby and Herbert Haley to the Personnel Board, for the terms listed above. The motion carried unanimously.**

Vice Mayor Frate called those present to receive their Oath Office forward and issued the oath. Vice Mayor Frate was appointed to the Audit Committee and will be sworn in at the next Audit Committee meeting.

## **PROCLAMATIONS AND AWARDS**

### RECOGNITION OF COMMUNITY SERVICE FOR ADONIS A. DENIZ, SR.

PRESENTED BY: Office of the Mayor

This is a request for City Council to recognize Mr. Adonis A. Deniz, Sr. for his service to the Commission on Persons with Disabilities and present a plaque of recognition to Mr. Deniz, Sr. for his contributions and dedicated service to the citizens of Glendale.

Vice Mayor Frate presented the Community Service Award to Mr. Adonis A. Deniz, Sr.

Mr. Deniz thanked the Council and the Commissioners for this great honor and for providing the opportunity to serve the citizens of Glendale.

## **CONSENT AGENDA**

**Items on the consent agenda are intended to be acted upon in one motion.**

Mr. Horatio Skeete, Acting City Manager, read agenda item numbers 1 through 6 and Ms. Pamela Hanna, City Clerk, read consent agenda resolution item numbers 7 through 9 by number and title.

### 1. SPECIAL EVENT LIQUOR LICENSE, AMERICAN LEGION LUKE-GREENWAY POST #1

PRESENTED BY: Susan Matousek, Revenue Administrator

This is a request for City Council to approve a special event liquor license for the American Legion Luke-Greenway Post #1. The event will be held at the University of Phoenix Stadium's Parking Lot located at 1 N. Cardinals Drive on Friday, November 30, from 4 p.m. to midnight; Saturday, December 1 from noon to midnight; and Sunday, December 2, 2012, from noon to 7 p.m. The purpose of this special event liquor license is for fundraising at the Holiday Festival.

Staff is requesting Council to forward this application to the Arizona Department of Liquor Licenses and Control with a recommendation of approval.

2. SPECIAL EVENT LIQUOR LICENSE, GLENDALE CIVIC PRIDE AMBASSADORS FOUNDATION

PRESENTED BY: Susan Matousek, Revenue Administrator

This is a request for City Council to approve a special event liquor license for the Glendale Civic Pride Ambassadors (GCPA) Foundation. The event will be held in downtown Glendale located at 58<sup>th</sup> Avenue and Glenn Drive on Friday and Saturday, November 30 and December 1, 2012, from 6 p.m. to 10 p.m. The purpose of this special event liquor license is for fundraising at Glendale's Spirit of Giving Weekend.

Staff is requesting Council to forward this application to the Arizona Department of Liquor Licenses and Control with a recommendation of approval.

3. SPECIAL EVENT LIQUOR LICENSE, KNIGHTS OF COLUMBUS PADRE SERRA COUNCIL 7114

PRESENTED BY: Susan Matousek, Revenue Administrator

This is a request for City Council to approve a special event liquor license for the Knights of Columbus Padre Serra Council 7114. The event will be held at St. Raphael Catholic Church inside Hibner Hall located at 5525 West Acoma Road on Saturdays, December 22, 2012, and January 26, 2013, from noon to 11 p.m. The purpose of this special event liquor license is for fundraising.

Staff is requesting Council to forward this application to the Arizona Department of Liquor Licenses and Control with a recommendation of approval.

4. LIQUOR LICENSE NO. 5-7669, NATIVE NEW YORKER

PRESENTED BY: Susan Matousek, Revenue Administrator

This is a request for City Council to approve a new, non-transferable series 12 (Restaurant) license for Native New Yorker located at 7322 West Bell Road. The Arizona Department of Liquor Licenses and Control application (No. 12079277) was submitted by Amy S. Nations.

Staff is requesting Council to forward this application to the Arizona Department of Liquor Licenses and Control with a recommendation of approval.

5. LIQUOR LICENSE NO. 5-7712, JOE'S QUICK STOP

PRESENTED BY: Susan Matousek, Revenue Administrator

This is a request for City Council to approve a new, non-transferable series 10 (Liquor Store - Beer and Wine) license for Joe's Quick Stop located at 6204 North 43<sup>rd</sup> Avenue. The Arizona Department of Liquor Licenses and Control application (No. 10076341) was submitted by Hamza Abuarar.

Staff is requesting Council to forward this application to the Arizona Department of Liquor Licenses and Control with a recommendation of approval.

6. PURCHASE OF REFRIGERATED DRUG CABINETS

PRESENTED BY: Mark Burdick, Fire Chief

This is a request for City Council to authorize the purchase of nine refrigerated drug cabinets from Budd Medical and Fire Equipment, L.L.C. in an amount not to exceed \$61,680.

**CONSENT RESOLUTIONS**

7. 2012 BULLETPROOF VEST PARTNERSHIP GRANT

PRESENTED BY: Debora Black, Interim Police Chief

RESOLUTION: 4625

This is a request for City Council to waive reading beyond the title and adopt a resolution authorizing the City Manager to accept the 2012 Bulletproof Vest Partnership Grant from the Bureau of Justice Assistance in the amount of \$3,533.71.

**Resolution No. 4625 New Series was read by number and title only, it being A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, ACCEPTING THE 2012 BULLETPROOF VEST PARTNERSHIP GRANT FROM THE BUREAU OF JUSTICE ASSISTANCE ON BEHALF OF THE GLENDALE POLICE DEPARTMENT.**

8. AMENDMENT TO INTERGOVERNMENTAL AGREEMENT WITH ARIZONA DEPARTMENT OF ECONOMIC SECURITY

PRESENTED BY: Rebecca H. Daniel, Community Action Program Administrator

RESOLUTION: 4626

This is a request for City Council to waive reading beyond the title and adopt a resolution authorizing the City Manager to enter into Amendment No. 7 to the intergovernmental agreement (IGA) with the Arizona Department of Economic Security (DES) for Community Action Program (CAP) funding and operations.

**Resolution No. 4626 New Series was read by number and title only, it being A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING AND DIRECTING THE ENTERING INTO OF AMENDMENT NO. 7 TO THE INTERGOVERNMENTAL AGREEMENT WITH THE ARIZONA DEPARTMENT OF ECONOMIC SECURITY FOR COMMUNITY ACTION PROGRAM FUNDING.**

9. AMENDMENTS TO THE 2010 AND 2011 ARIZONA DEPARTMENT OF HOMELAND SECURITY SUB-GRANTEE AGREEMENTS

PRESENTED BY: Mark Burdick, Fire Chief

RESOLUTION: 4627

This is a request for City Council to approve two Amendments to the 2010 Arizona Department of Homeland Security (AZDOHS) Sub-grantee Agreement and one Amendment to the 2011 AZDOHS Sub-grantee Agreement.

Staff is requesting City Council waive reading beyond the title and adopt a resolution authorizing the City Manager to enter into Amendments No. 1 and No. 2 of the 2010 AZDOHS Sub-grantee Agreement and Amendment No. 1 to the 2011 AZDOHS Sub-grantee Agreement.

**Resolution No. 4627 New Series was read by number and title only, it being A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, RATIFYING THE ENTERING INTO OF SUBGRANTEE AGREEMENT AMENDMENT #1 TO THE 2010 ARIZONA DEPARTMENT OF HOMELAND SECURITY GRANT; AUTHORIZING THE ENTERING INTO OF SUBGRANTEE AGREEMENT AMENDMENT #2 TO THE 2010 ARIZONA DEPARTMENT OF HOMELAND SECURITY GRANT; AND AUTHORIZING THE ENTERING INTO OF SUBGRANTEE AGREEMENT AMENDMENT #1 TO THE 2011 ARIZONA DEPARTMENT OF HOMELAND SECURITY GRANT ON BEHALF OF THE GLENDALE FIRE DEPARTMENT.**

**It was moved by Clark and seconded by Knaack, to approve the recommended actions on Consent Agenda Item Nos. 1 through 9, including the approval and adoption of Resolution No. 4625 New Series, Resolution No. 4626 New Series, and Resolution No. 4627 New Series; and to forward Special Event Liquor License Application for the American Legion Luke-Greenway Post #1, Glendale Civic Pride Ambassadors, and Knights of Columbus Padre Serra Council 7114, and Liquor License Application No. 5-7669 for Native New Yorker, and No. 5-7712 for Joe's Quick Stop to the State of Arizona Department of Liquor Licenses and Control, with the recommendation for approval. The motion carried unanimously.**

## **BIDS AND CONTRACTS**

### **10. AGREEMENT WITH TARGET SOLUTIONS FOR ONLINE TRAINING PROGRAM**

**PRESENTED BY:** Mark Burdick, Fire Chief

This is a request for City Council to authorize the entering into an Interactive Service Agreement and License with Target Solutions. Staff is requesting Council authorize the City Manager to enter into an agreement with Target Solutions.

**It was moved by Martinez, and seconded by Knaack, to authorize the City Manager to enter into an Interactive Service Agreement and License with Target Solutions for an online training program. The motion carried unanimously.**

### **11. AWARD OF CONTRACT FOR CUSTODIAL SERVICES**

**PRESENTED BY:** Michelle Woytenko, Deputy Public Works Director

This is a request for City Council to approve and authorize the City Manager to enter into a contract for custodial services at various city facilities with ISS Facility Services, Inc. in an amount not to exceed \$602,522.40 annually.

Councilmember Alvarez commented they currently have three vacancies and 12 employees will be eliminated if this item passes. Ms. Michelle Woytenko, Deputy Public Works Director, stated she was correct. Councilmember Alvarez inquired as to the current salary for the employees. Ms. Woytenko stated the range was between \$11.03 and \$17.65 per hour. She explained the custodial contract salary would be \$8.00 to \$14.00 per hour. She added the contractor will provide health insurance, dental, vision and short term disability.

Councilmember Alvarez said she did not like the idea of contracting when they were only talking about 12 employees. She believes the custodial department was not a financial threat to the city as other departments get paid more. She cannot go along with laying-off employees. She indicated if the city wanted to save money, they should start a little bit higher on the scale. She added the city can provide these employees with better security than the contractor.

Councilmember Martinez said this recommendation saddens him but has to be done. The city should stress to those taking over to give every consideration to the individuals that will be laid-off by the city. He would be interested in knowing how many of the current city workers were hired after the process is completed. He agrees this might be starting at the lower end; however, this will save the city \$283,204.

Councilmember Alvarez indicated the contractor will have no problem hiring people for \$8.00 per hour. However, she really believes they need to give consideration as to who they were laying off. She said they really need to look at all positions before taking this step especially with the holidays coming and the economy the way it is. The city does need to cut but they should start looking at other ways. She said she cannot agree with moving forward with this item.

Ken Jones, an Ocotillo District resident, stated city lay-offs have destroyed the city's image of being a friendly and kind town. He said he was aware that Mr. Strunk was trying to privatize the libraries and lay-off 57 city employees. He noted they had enough of this type of decision making. He reminded them that city employees live and work in Glendale and if they hurt them, they are hurting their city. He disagrees with the Coyote deal and cannot see giving them millions when they are cutting city jobs to help pay for hockey. He stated this was all due to the city's gross mismanagement of city funds.

Mayor Scruggs commented it might be helpful at this point for Mr. Skeete to present this issue in more detail in terms of what else is planned. And when was this talked about? And where are we in terms of having a budget that we can live with, the revenues we have, and what other actions are planned? Is this one department in isolation? She continued that she recalled approving an agreement that eliminated three or four positions. She thought it would be good for the citizens to hear an explanation of this in greater detail. They have already decided, they have already voted that they want to keep the higher taxes in place so that they can have their services and all. So how does this all fit together?

Mr. Skeete stated the process today for presenting this item for consideration was part of a bigger picture. The tax approved at the last election was for an increase of the sales tax that has a sunset in 2017. This is part of an ongoing evaluation and will continue to happen throughout the next couple of years. They will review all city services to put them in a better position to absorb the \$25 million in new sales tax revenue. This is to basically take them through the five years and plan the eventual sunset of the tax in 2017. He indicated the city has already out sourced the collection services and three employees were laid-off. He explained that during budget discussions earlier this year, staff talked about the need of full cost recovery on some programs. The Grasp after school programs were looked at and found that three of the centers were not cost recovery eligible. Therefore, they eliminate those centers along with 4 ½ employees. Staff will continue to look at privatization and contracting services where it will benefit most and present to Council for consideration. He said that whenever they find where the services are equal to or better than the services they can deliver for less than the cost, staff will make those recommendations. He said they will continue to look at other areas of operation and will continue this ongoing process throughout the year. He noted that about six weeks ago, staff presented scenarios to Council and explained they had to develop savings of about \$25million from base services.

Mayor Scruggs thanked Mr. Skeete for that explanation. She asked if it would be an honest statement, a fair statement, to tell the residents that while Proposition 457 failed and was defeated and the higher tax structure will stay, people should not expect that all of the services and programs that have been provided in the past will stay in place. Would that be a fair statement? Mr. Skeete replied yes.

Councilmember Alvarez thought she heard that if Proposition 457 passed, no employees would be laid-off. She will go back to check on that fact. She stated the three centers what were closed were in the highest poverty area where no resident can pay the \$65.00 a child fee. She believes they will be adding another burden to police because the kids will not be doing anything but will instead get into trouble. She said they were doing a disservice to the people that need it the most. She knows of many other positions that could be eliminated, other than custodial, that have higher incomes. She noted they were not thinking this through when they were still considering giving millions to the Coyotes.

Councilmember Clark stated that lay-offs were never a palpable solution, however, at times when cities face financial difficulties; they do what they have to do. She remembers the scenarios presented by Mr. Skeete very clearly and distinctly. She remembers they were told that even with the sales tax increase and the generation of the \$25 million, it will still require an average of \$5 million to be cut from the budget so that by the time they ended those five years, they would have absorbed the \$25 million in cuts that the sales tax afforded them. She explained the sales tax is a mechanism to give them time to look at what cuts need to be made. She stated it was tough to look at programs and eliminate them if they are not cost effective; however, they were in a financial situation where they cannot afford to keep those programs afloat. She believes once the economy recovers, there will be opportunities to revisit each situation and possibly make some adjustments. She said these adjustments are needed and she wished they did

not have to lay-off people; however they have to make those cuts to balance the budget on an annual basis.

Councilmember Knaack stated she felt lucky they still had the sales tax, however, believes they are rushing into these decisions much too early. She said possibly the new Council might want to have some say on some of these decisions. She stated she was not feeling very comfortable with this item and will not support it. She noted waiting a couple of months will not make much of a difference. She needs some more time to think about this and would like this item presented to them other than at a voting meeting.

Mayor Scruggs said this is interesting – some of the things said. At Council's last special workshop a week ago Monday, Mr. Skeete told Council, the city had zero a fund balance and in fact it was a negative fund balance. So she would like to know if there is any rush in having to make this decision. She agrees with Councilmember Knaack and Alvarez that for the small amount of money relative to the budget, \$283,000 cannot be found someplace else in some programs or something that does not leave 12 out of jobs. She continued there was a very interesting comment made by Councilmember Knaack that she feels that a decision like this should be left to the new Council that will be coming in. Because a lot of people are saying that the decision as to whether to award a contract to Greg Jamison, an arena management contract, should wait for the new Council to come in. But she would like to hear from Mr. Skeete as to whether there is going to be a dire effect on the city's ability to meet payroll checks if Council doesn't do this tonight.

Mr. Skeete explained the decision to bring this forward tonight was in no way an indication that this was a dire emergency that had to be dealt with tonight. The decision was based on the fact they had gone through the review of the contracts and this was an opportunity that was available and discussed. He noted the Council can act now or wait until January 15<sup>th</sup> of next year; however, the annualized savings will not be in this year.

Councilmember Clark stated they all need to be mindful that cuts need to be made and that this was a staff recommendation. She said there will be other staff recommendations and other rationales about why other cuts should not be made. She noted this was a very distasteful thing they have to do but they need to start somewhere. She does not want to go down a slippery slope where they start tabling everything and eventually get nowhere.

Councilmember Martinez explained that when he first spoke, he said this sort of thing saddens him but believes they must start somewhere. He said this item had been brought up at one of the workshops and they had been told this was one of the areas being looked at. He asked how much savings would there be if they hold off until the first of the year. Mr. Skeete said it would be a little more than \$161,000 for the second part of the year.

Councilmember Martinez inquired about the transfers that were made without the Council's knowledge as well as others. He asked if this meant they would have to come up with more money. Mr. Skeete explained he had not yet completed the analysis of what needs to be transferred and at what levels things need to be. The preliminary analysis of the Risk Management Fund is that it is funded today at the recommended confidence level. The Workers

Comp fund is below the level and needs to be infused with some additional cash. Therefore, at this time, he has not yet figured out the numbers that need to be put back into those funds to bring them up to the recommended confidence level. He noted the figure needed was probably \$2 to \$3 million.

Councilmember Martinez stated the reason he brought this up was because they now have to come up with additional funds to cover this deficit. He remarked that because of this of situation, they cannot keep postponing these types of actions. Therefore he will be supporting this action this evening.

Councilmember Alvarez stated that the city cutting and laying off employees when they have \$17 million in reserve for the Coyotes just doesn't make sense. She remarked they need to start thinking about what is better for their residents at this time when they don't have any money, then for the Coyotes in the long term. She added it was strange to hear they were holding on to that money when Greg Jamison had not even bought the Coyotes yet.

Mayor Scruggs remarked she thought some good points have been made for both sides for going ahead with this as Councilmember Martinez and Clark have said there needs to be a reduction to the budget. And there have been very good points made for not doing this now in that as Councilmember Knaack pointed out its one part of a much bigger problem. And she believed the Acting City Manager told Council that he is going to be able to present this at the workshop on December the 4<sup>th</sup> in terms of how much money is needed to solve the fund issues and how much money is needed overall. She believed that at this point in time and rather than take just one step which appears to be specific to one group and is not seen as part of a whole approach is very unsettling. She moved that Council postpone this going forward with this contract until they are presented with the holistic approach which she understands will come on December the 4<sup>th</sup>. There will probably be other areas where reductions will be presented and then the Council can decide if they would like to move forward or if they would like to leave it for the next Council but she really believed Council should chart the course. Council would either act now or leave it to the next Council. She again moved to postpone this action and put it on hold for future date unspecified.

**It was moved by Mayor Scruggs, and seconded by Alvarez, to table this item for a future unspecified date. Motion carried on a roll call vote, with the following Councilmembers voting "aye": Knaack, Scruggs, Alvarez, and Frate. Members voting "nay": Clark, Martinez.**

**12. REQUEST TO PURCHASE FRONTLOAD TRUCK FOR COMMERCIAL SANITATION COLLECTION**

**PRESENTED BY:** Frank Lomeli, Deputy Public Works Director

This is a request for City Council to approve the purchase of a frontload truck for commercial sanitation from Rush Truck Centers in an amount not to exceed \$245,323.22.

**It was moved by Knaack, and seconded by Martinez, to approve the purchase of a frontload truck for commercial sanitation from Rush Truck Centers in an amount not to exceed \$245,323.22. The motion carried unanimously.**

**13. REQUEST TO PURCHASE TRACTOR FOR BULK TRASH COLLECTION**

**PRESENTED BY:** Frank Lomeli, Deputy Public Works Director

This is a request for City Council to award IFB 13-13 and authorize the purchase from Falcon Power, Inc. for a tractor for bulk trash collection in an amount not to exceed \$89,131.43.

**It was moved by Martinez, and seconded by Knaack, to award IFB 13-13 and authorize the purchase from Falcon Power, Inc. for a tractor for bulk trash collection in an amount not to exceed \$89,131.43. The motion carried unanimously.**

**ORDINANCES**

**14. FISCAL YEAR 2011-12 FINAL BUDGET AMENDMENTS**

**PRESENTED BY:** Sherry Schurhammer, Executive Director, Financial Services

**ORDINANCE:** 2822

This is a request for City Council to consider and approve Fiscal Year (FY) 2011-12 final budget amendments. The City of Glendale's total FY 2011-12 budget appropriation across all funds is unchanged. This action is routinely taken parallel to the preparation of the Comprehensive Annual Financial Report for the prior fiscal year.

Staff is requesting that Council waive reading beyond the title and adopt an ordinance approving the FY 2011-12 budget amendments.

Mayor Scruggs stated she would not support this item because as discussed at the special workshop a week ago Monday movement of money in an ordinance such as this one resulted in the kind of problems now existing in the trust fund. And in further discussion was that Council should not be agreeing with these clean up ordinances without an explanation of why the money is being moved around. In the past Council would have accepted this because they had been told that this is just what needs to happen. Now that it has revealed that the city has serious problems where funds are being underfunded or money has been moved around to cover problems in other areas, she was not ready to do this without an explanation of what each of these things are. She asked why staff was moving money from the GF and the HURF contingency to the NHL loan repayment. How in the world can the city use these funds to pay the NHL loan repayment? She was very uncomfortable with this and it's a continuation of what was discussed a week ago Monday. That is number one, number two; she didn't understand how this meets the criterion that was sent out by our City Attorney, Craig Tindall in his memo to the Council that Council can only do this in the last quarter of each year. She hoped the word got out to Mr. Skeete because she did call in today and let him know that she would not be supporting this item because there is no explanation of these very, very large transfers especially ones that are already in problem areas..

Sherry Schurhammer, Executive Director, Financial Services, explained that lines 1 through 16 are not transfers of funds but transfers of appropriations authority. For example, on line 13, it shows a transfer of appropriation only totaling \$1.1 million going to the benefit programs. She noted there was cash in the benefits funds to cover the expense of \$1.1 million; however, in order to pay that expense, they need the additional appropriation authority. Therefore, by way of this ordinance, they are moving the appropriation authority from the miscellaneous grant fund. She noted this had nothing to do with grant money but was an area where they happen to have some excess appropriation authority. This will be used for the high claims that came in at the end of last year. She stated lines 1 through 16 and 27 through 46 are all appropriation authority transfers and lines 17 through 26 are cash transfers.

Mayor Scruggs expressed her appreciation for Ms. Schurhammer and her knowledge about everything on the page but she believed Council's discussion was that they would not just approve these transfers or appropriation authority or whatever you want to call them without explanation of why Council was doing each one. Now this is the last one she will be asking, she would just make a suggestion to management that they think about when the new Council comes in, to not put the ordinances in front of them with the listing of all this money or appropriation authority moving around without it going to a workshop where people can ask questions about what does each line mean. What are you really doing? She asked staff to help her understand it because Council found out at the special workshop on Monday, is that Council has just been trusting totally in everything that they were told and now finding out that there are problems. She understands Ms. Schurhammer knows what she is talking about but she did not appreciate the way this is being handled and she could not support it. And she offered her recommendation for the next Council coming in that it is handled differently.

Councilmember Martinez stated that in the last two to three years there have been a lot of questions on appropriation authority and the transfers. And in fact, he looked at the minutes from January 24<sup>th</sup> and the Council had discussed this matter at length. He read from the minutes which stated the confusion with the concept of appropriation authority versus actual cash. He believes Mayor Scruggs was correct that this should come to the Council with a better explanation of what exactly is being done and why. Vice Mayor Frate agreed.

Councilmember Alvarez asked for clarification on line 26 and the transfer of \$15 million for water and sewer. Ms. Schurhammer explained that when the FY12 budget was developed the arena management fee was budgeted in fund 1282. She noted that at the time, the plan was there would be a \$15 million transfer of cash from GF to fund 1282 and \$5 million of onetime money that was supposed to come from a payment that was associated with the Hulsizer proposal. However, all that did not happen and because that proposal did not go through, they had to do these inter-fund loans. The loans were \$15 million from water and sewer and \$5 million from the GF. Therefore on line 26, they are transferring cash from water and sewer over to fund 1282 so that the inter-fund loan can occur. She noted Council had been told about the \$20 million inter-fund loan once the other proposal fell through.

Councilmember Knaack remarked that all this money has already been transferred and this was all in the past at this point. Ms. Schurhammer stated she was correct and added this had all been done in the last couple of weeks because they needed to close out the audit and financial period

to have accurate financial reports. Councilmember Knaack noted the main concern most people have was that staff should come before Council first instead of after the fact.

Mayor Scruggs commented it was not just Council that needed to know, the public needs to understand it. There are a lot of people that read our agenda material online. She agreed with Councilmember Knaack staff should come to Council so it can be discussed and have a full understanding rather than be told after the fact about actions that have already been taken and it doesn't make any difference, staff already did it and now Council was just rubber stamping it. She believed that Council has been saying that it all needed to change, that's the way things have been in the past and that needs to change. If this isn't approved tonight, she didn't think there is going to be any drastic problems because she remembered from another meeting being told that the audit has to be complete by the end of the year. So if this has something to do with the audit Council still has plenty of time until the end of the year. The point is that Council was having pieces of paper put in front of them that contained millions of dollars moving around whether its appropriation or moving the money and Council was just expected to just say okay, they weren't sure what it says but its okay. And the public doesn't want that anymore. Her question was not answered about Mr. Tindall's memo that he sent to Council earlier this year that said that Council can't do any movement of money or inter-fund transfers or anything like that except in the last three months of each fiscal year.

Vice Mayor Frate asked Mr. Tindall to respond to Mayor Scruggs concerns.

Mr. Tindall stated the items listed are items that deal with the last three months of last FY. Those transfers do not deal with this year but are for last year's budget. Ms. Schurhammer stated he was correct.

Mayor Scruggs commented some have the date of October 2012.

Ms. Schurhammer explained those were transactions that deal with items that came up during the last three months of last FY. Mr. Tindall added that those expenses were incurred in the last few months of the prior FY.

Mayor Scruggs addressed Mr. Tindall yes, but your memo did not talk about when expenses occurred. Your memo talked about when transfers could be made legally, not when the expenses occurred or the bills arrived. And this is outside of what - her understanding is of what he said regarding when transfers could be made legally.

Mr. Tindall explained his memo addressed that what would be coming before Council would be the appropriation and cash transfer prior to the transaction taken place. However, these are not transfers that are occurring in this current year.

Mayor Scruggs commented it sounds like there is some real conflict between what Mr. Tindall was saying could be done legally and what finance is saying has to be done practically. And it sounds like there has to be some clarification and some sitting down and determining what is legal and what is not. What Mr. Tindall said in the memo that it was only legal to make these transfers in the last three months of the FY, and then she looked at something that has a transfer

in the second quarter of a FY that does not seem to match Mr. Tindall's legal directive to us. So you can't have it both ways, there needs to be some straightening out of when these transfers can actually be done.

Mr. Tindall agreed to address this matter since there are some differences from an accounting standpoint on accrual that they will always have to be addressed. He believes there is some consistency they can find with respect to those transactions. He agreed to work with budget to address those occurrences that may happen in future years.

Vice Mayor Frate believes Council has given a clear message on what needs to be done in the future. He explained that rubber stamping has been done in the past, however, it was clear to this Council and for the next, that they will not be doing that anymore and staff must do a better job of explaining the line items and not expect an answer at the last minute.

**Ordinance No. 2822 New Series was read by number and title only, it being AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING THE TRANSFER OF APPROPRIATION AUTHORIZATION BETWEEN BUDGET ITEMS IN THE ADOPTED FISCAL YEAR 2011-12 BUDGET.**

**It was moved by Clark, and seconded by Martinez, to approve Ordinance No. 2822 New Series. Motion carried on a roll call vote, with the following Councilmembers voting "aye": Clark, Knaack, Martinez, and Frate. Members voting "nay": Alvarez, Scruggs.**

**15. MUNICIPAL PROPERTY CORPORATION DEBT REFINANCING**

PRESENTED BY: Diane Goke, Chief Financial Officer

ORDINANCE: 2823

This is a request for the City Council to adopt an ordinance and authorize the City Manager to refinance a portion of the debt related to the Municipal Property Corporation (MPC) in an amount not to exceed \$61 million.

Councilmember Knaack said the public had been asking how the city is able to refinance having all their financial problems. Diane Goke, Chief Financial Officer, stated the reason they were able to do this was because the city has a clear direction on where they were going as well as the sales tax that will be in place for a few years. She explained the market was very good right now and they feel they can answer questions on their financial condition.

Councilmember Clark noted that basically the sales tax increase has enhanced their guaranteed revenue streams. Ms. Goke stated that it certainly helped considerably. Councilmember Clark asked if the sales tax had not passed, would staff still be asking to refinance. Ms. Goke replied they probably would have because they would have presented their reductions and plan even without having the sales tax.

Mayor Scruggs asked for clarification on the language of both ordinances. Ms. Goke explained both of the ordinances reflect the 101 and the MPC language has to be in both since they were combining them into one bond out of the MPC.

**Ordinance No. 2823 New Series was read by number and title only, it being AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA (1) AUTHORIZING THE EXECUTION AND DELIVERY OF A TWELFTH SUPPLEMENT TO THE SERIES 1999 LEASE AGREEMENT WITH THE CITY OF GLENDALE MUNICIPAL PROPERTY CORPORATION RELATING TO THE FINANCING OF CERTAIN IMPROVEMENTS AND PUBLIC INFRASTRUCTURE AND THE REFINANCING OF BONDS ISSUED BY THE WESTERN LOOP 101 PUBLIC FACILITIES CORPORATION; (2) PLEDGING CERTAIN EXCISE TAXES AND RECEIPTS IMPOSED OR RECEIVED BY THE CITY; (3) APPROVING THE FORM OF AND REQUESTING THE EXECUTION AND DELIVERY BY CITY OF GLENDALE MUNICIPAL PROPERTY CORPORATION OF A SERIES 2012D/E TWELFTH SUPPLEMENTAL TRUST INDENTURE RELATING TO ONE OR MORE SERIES OF BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$61,000,000 SUCH TWELFTH SUPPLEMENT TO LEASE AGREEMENT, A SERIES 2012D/E GROUND LEASE, A DEPOSITORY TRUST AGREEMENT, AND A PURCHASE AGREEMENT WITH RESPECT TO THE SALE OF SUCH BONDS; (4) DELEGATING TO THE ACTING CITY MANAGER OF THE CITY THE LIMITED AUTHORITY TO DESIGNATE BY SERIES THE FINAL PRINCIPAL AMOUNT, MATURITIES, INTEREST RATES, AND OTHER MATTERS WITH RESPECT TO SUCH BONDS; (5) AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS ORDINANCE, INCLUDING THE EXECUTION OF CERTAIN DOCUMENTS AND THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT; AND (6) DECLARING AN EMERGENCY.**

**It was moved by Martinez, and seconded by Knaack, to approve Ordinance No. 2823 New Series. Motion carried on a roll call vote, with the following Councilmembers voting “aye”: Alvarez, Clark, Knaack, Martinez, Frate, and Scruggs. Members voting “nay”: none.**

**16. WESTERN LOOP 101 PUBLIC FACILITIES CORPORATION DEBT REFINANCING**  
**PRESENTED BY: Diane Goke, Chief Financial Officer**  
**ORDINANCE: 2824**

This is a request for the City Council to adopt an ordinance and authorize the City Manager to refinance a portion of the debt related to the Western Loop 101 Public Facilities Corporation (PFC) in an amount not to exceed \$203 million.

**Ordinance No. 2824 New Series was read by number and title only, it being AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA (1) AUTHORIZING THE EXECUTION AND DELIVERY OF A TWELFTH SUPPLEMENT TO THE SERIES 1999 LEASE AGREEMENT WITH THE CITY OF GLENDALE MUNICIPAL PROPERTY CORPORATION RELATING TO THE FINANCING OF CERTAIN IMPROVEMENTS AND PUBLIC INFRASTRUCTURE AND THE REFINANCING OF BONDS ISSUED BY THE WESTERN LOOP 101 PUBLIC FACILITIES CORPORATION; (2) PLEDGING**

**CERTAIN EXCISE TAXES AND RECEIPTS IMPOSED OR RECEIVED BY THE CITY; (3) APPROVING THE FORM OF AND REQUESTING THE EXECUTION AND DELIVERY BY CITY OF GLENDALE MUNICIPAL PROPERTY CORPORATION OF A SERIES 2012D/E TWELFTH SUPPLEMENTAL TRUST INDENTURE RELATING TO ONE OR MORE SERIES OF BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$203,000,000 SUCH TWELFTH SUPPLEMENT TO LEASE AGREEMENT, A SERIES 2012D/E GROUND LEASE, A DEPOSITORY TRUST AGREEMENT AND A PURCHASE AGREEMENT WITH RESPECT TO THE SALE OF SUCH BONDS; (4) DELEGATING TO THE ACTING CITY MANAGER OF THE CITY THE LIMITED AUTHORITY TO DESIGNATE BY SERIES THE FINAL PRINCIPAL AMOUNT, MATURITIES, INTEREST RATES, AND OTHER MATTERS WITH RESPECT TO SUCH BONDS; (5) AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS ORDINANCE, INCLUDING THE EXECUTION OF CERTAIN DOCUMENTS AND THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT; AND (6) DECLARING AN EMERGENCY.**

**It was moved by Knaack and seconded by Clark, to approve Ordinance No. 2824 New Series. Motion carried on a roll call vote, with the following Councilmembers voting “aye”: Alvarez, Clark, Knaack, Martinez, Frate, and Scruggs. Members voting “nay”: none.**

#### **REQUEST FOR FUTURE WORKSHOP AND EXECUTIVE SESSION**

**It was moved by Martinez and seconded by Knaack, to hold a City Council Workshop at 1:30 p.m. in Room B-3 of the City Council Chambers on Tuesday, November 20, 2012, to be followed by an Executive Session pursuant to A.R.S. 38-431.03. The motion carried unanimously.**

#### **CITIZEN COMMENTS**

Ken Jones, an Ocotillo resident, said they had six more weeks left and the Council still has done nothing to help the taxpayers and in fact used money to defend the signing of documents that did not have the proper date on them. Now, four Councilmembers want to break the law again on the hockey deal. He stated the four that met with Jamison last week should disqualify their vote for Jamison. He noted those meetings were not a Council action but an individual action by four of them. He explained the Attorney General calls that bundling and it's illegal. He believes the four of them should disqualify themselves for voting or they would be committing a serious crime. He said the people in the Yucca District voted they did not want this Council to spend the money on the Coyotes. He does not want the city to have another black eye. He added that at least 60% of the people do not want the Council to spend that money on the Coyotes when they need it for other things.

#### **COUNCIL COMMENTS AND SUGGESTIONS**

Councilmember Alvarez reiterated her suggestion to have the public speak first at the beginning of the meeting. She explained some of the public cannot wait until the end especially those who have small children. She also insisted the city have an independent audit and put a close to this

matter. She said if the city did something wrong they need to admit to it and have more transparency. She noted this was the only way to have closure and peace of mind. She stated the gossip was turning everybody off in the community and was getting out of hand.

Councilmember Clark thanked the 50 citizens that show up at every meeting to share their opinion. She wished everyone a Happy Thanksgiving.

Councilmember Knaack also wished everyone a safe and Happy Thanksgiving. She thanked the public for being here and for everything they do.

Vice Mayor Frate thanked everyone who took the time to vote and for supporting the City of Glendale. He reminded everyone that Glendale Glitters was fast approaching. He said there had been a child drowning in Glendale last weekend. He reminded everyone to please watch children around water even in cool weather. He hoped they all took time on Veteran's Day to remember the fallen soldiers who gave their all for the freedoms they all enjoy.

### **ADJOURNMENT**

There being no further business, the meeting was adjourned at 8:59 p.m.

Pamela Hanna

Pamela Hanna - City Clerk