



**MINUTES OF THE
GLENDALE CITY COUNCIL MEETING
Council Chambers
5850 West Glendale Avenue
November 27, 2012
7:00 p.m.**

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

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 2 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 NOVEMBER 13, 2012 CITY COUNCIL MEETING

It was moved by Martinez, and seconded by Knaack, to dispense with the reading of the minutes of the November 13, 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.

BIDS AND CONTRACTS

1. AGREEMENT WITH EMPIRE SOUTHWEST, LLC FOR CERTIFIED POWER TRAIN REBUILD OF LANDFILL SCRAPER

PRESENTED BY: Stuart Kent, Executive Director, Public Works

This is a request for City Council to award Invitation for Bid (IFB) 13-14 and authorize the City Manager to enter into an agreement for a certified power train rebuild of the landfill Caterpillar

(CAT) auger scraper from Empire Southwest, LLC. Staff recommends approval of the agreement in an amount not to exceed \$373,966.30.

It was moved by Frate, and seconded by Martinez, to award Invitation for Bid (IFB) 13-14 and authorize the City Manager to enter into an agreement for a certified power train rebuild of the landfill Caterpillar (CAT) auger scraper from Empire Southwest, LLC. The motion carried unanimously.

2. CISCO SMARTNET MAINTENANCE

PRESENTED BY: Chuck Murphy, Executive Director, Technology & Innovation

This is a request for City Council to approve the expenditure of funds for the city's Cisco Smartnet maintenance and support renewal from the State of Arizona contract with Insight Public Sector, Inc. in the amount of \$59,957.93.

It was moved by Martinez, and seconded by Knaack, to approve the expenditure of funds for the city's Cisco Smartnet maintenance and support renewal from the State of Arizona contract with Insight Public Sector, Inc. in the amount of \$59,957.93. The motion carried unanimously.

3. AUTHORIZATION TO PURCHASE ORACLE DATABASE LICENSES

PRESENTED BY: Debora Black, Interim Police Chief

This is a request for City Council to approve the purchase from Mythics, Inc. for Oracle database licenses in an amount not to exceed \$84,546.00. These licenses are a required component of the new Computer Aided Dispatch (CAD) and Records Management System (RMS) approved by Council in October 2011.

It was moved by Clark, and seconded by Martinez, to approve the purchase from Mythics, Inc. for Oracle database licenses in an amount not to exceed \$84,546.00. The motion carried unanimously.

ORDINANCES

4. AD-HOC CITY MANAGER RECRUITMENT COMMITTEE

PRESENTED BY: Horatio Skeete, Acting City Manager

ORDINANCE: 2825

This is a request for City Council to adopt an ordinance establishing an Ad-Hoc City Manager Recruitment Committee.

Staff recommends Council waive reading beyond the title and adopt an ordinance establishing the Ad-Hoc City Manager Recruitment Committee.

Ordinance No. 2825 New Series was read by number and title only, it being AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA

COUNTY, ARIZONA, ESTABLISHING AN AD-HOC CITY MANAGER RECRUITMENT COMMITTEE; APPOINTING MEMBERS THERETO; AND SETTING FORTH ITS CHARGE.

Mr. Skeete said item 4 is a request to adopt an Ordinance to establish an ad hoc city manager recruitment committee. The purpose of the committee was to begin to outline the process to select a city manager. On November 20, 2012, Council directed this Ordinance be brought forward. It was recommended the committee be comprised of the City Council members, the Mayor Elect and the Councilmembers Elect to determine how the City Manager would be appointed in the future. He recommended to waive reading beyond the title and adopt the Ordinance and establish the committee.

Mayor Scruggs asked Councilmembers if they had any questions or comments. She stated there were residents who requested to speak on this item.

Mr. Ken Jones, an Ocotillo resident, said several things should be required of the next City Manager. He should do a really good job of serving the citizens. The city is known as the easiest place to fleece or to con. He said a good City Manager can change all of this by being a good businessman who will do the job.

Mr. Arthur L. Thruston, a Cactus resident, said he has attended every meeting for the past year. The city needs new blood and he hopes they hire a good City Manager. He asked specifically that the new City Manager not be a professional negotiator. If negotiators are needed, they should be hired.

It was moved by Knaack, and seconded by Frate, to approve Ordinance No. 2825 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.

5. ARENA LEASE AND MANAGEMENT AGREEMENT WITH ARIZONA HOCKEY ARENA PARTNERS, LLC AND ARIZONA HOCKEY PARTNERS, LLC

PRESENTED BY: Horatio Skeete, Acting City Manager

ORDINANCE: 2826

This is a request for City Council to vote upon an ordinance with an emergency clause, authorizing and directing the City Manager to enter into an Arena Lease and Management Agreement with Arizona Hockey Arena Partners, LLC and Arizona Hockey Partners, LLC for the use of the city-owned Jobing.com Arena by the Phoenix Coyotes.

Ordinance No. 2826 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 AND DIRECTING THE EXECUTION AND DELIVERY OF THE LEASEHOLD INTEREST WITHIN THE ARENA LEASE AND MANAGEMENT AGREEMENT WITH ARIZONA HOCKEY ARENA PARTNERS, LLC AND ARIZONA HOCKEY PARTNERS, LLC; AND DECLARING AN EMERGENCY.

Mr. Skeete advised that Mr. Jamison and his associates were in the audience. The slides will compare the original agreement from June and the new modified agreement. This agreement includes a five year extension at the end of the 20 years. It also includes minimum performance standards, which the prior agreement did not have. There is also a fee should the minimum standards not be met. This penalty provision does not apply to this fiscal year. Mr. Jamison has agreed to accept a proration of the first fiscal year's management fee. It was discussed that Mr. Jamison would be unable to deliver on any of the non-hockey events; given the fact that it will be almost 6 months into the fiscal year before the agreement can be signed, therefore, the performance standards were removed from the agreement for the first fiscal year.

The original agreement called for \$24 million to go towards the capital improvement fund. The new agreement calls for \$12 million to go to the capital improvement fund. The total payments in the original agreement were \$324 million. Total payments in the current agreement, prorating the first year, will be about \$315 million. Net present value in the original agreement was \$203 million. Prorating the first year of the new agreement, present value is \$182.9 million, for a savings to the City of \$20.8 million. Mr. Skeete said the new arena management agreement also provides an incentive of \$500,000 per annum for every 20 events over the required 30 minimum required, with an average of 7,000 attendees. This will not apply to FY12-13. The new agreement provides for a \$60,000 per game penalty in the event of a strike or lockout. This does not apply to FY 12-13. Mr. Skeete stated this is an analysis and not budget forecast predictions.

Ms. Schurhammer showed a side by side analysis of the two options. One option assumes the team still plays at the arena and the other option shows the team no longer there. There are main assumptions in both options and those are that the temporary sales tax increase remains in effect until its sunset in August of 2017, debt is restructured based on the information recently presented about the Municipal Property Corporation and Public Facilities Corporation refinancing, the expected debt service schedule, net of the savings from the refinancing is incorporated into both scenarios. Adjustments for the fund of the Risk Workers' Comp Employee Benefit Trust Funds are included in both scenarios. The expected AZSTA contribution for baseball is incorporated beginning in FY18 and beyond. This is at a conservative \$700,000 per fiscal year. That contribution is essentially revenue offset to a portion of the baseball debt service for those fiscal years. Any inflationary adjustments were removed in the fiscal years where we show reductions since they essentially offset each other.

Ms. Schurhammer said in the option where the team remains in place, it shows a revised arena management fee based on the information Mr. Skeete just presented. For example, the arena management fee is now \$6 million instead of the \$11.5 million. This is just for that one change in FY13. This is a one-time adjustment, not an ongoing adjustment so it doesn't have a cumulative impact as an ongoing adjustment would have. As a result, there is no adjustment of the \$20 million on ongoing reductions that must be made over five years with this option.

Ms. Schurhammer explained for the option without the team, the arena management fee has been adjusted at the same inflationary amount used for the City's operating expenditures. The main difference in the two scenarios for the first five years is the option with the team shows operating budget reductions totaling \$20 million and the option without the team shows operating budget reductions totaling \$12 million. Under both options, the end fund balance is expected to grow to approximately \$60 million.

Ms. Schurhammer next discussed FY18 through FY22, the ten-year scenario. In both scenarios, the sales tax increase will go away in FY18, so there is a big drop in the revenue number from FY17. The estimated ending fund balance is expected to decline over the five year period assuming there is no change in the operating budget or the operating revenues other than the minor changes related to growth and inflation. Showing this option, they are assuming no other changes to the operating budget.

Ms. Schurhammer next looked at the twenty-year scenario. By 2022, there is a negative fund balance in both options. That means that something would have to be done to the expenditure side of the equation, the revenue side, or a mix of the two to address the negative fund balance. Based on the assumptions in this analysis of the two options, over the long run, the City is in a relatively better financial position with the team than without the team. What is not reflected here, is the cumulative operating budget reductions that must be done between FY13 and FY16 under both options. It is \$12 million if the team is gone and it is \$20 if the team stays.

For the first round of budget cuts, which would occur in FY13 and FY14, under both options, the services that would not be affected would be Police and Fire, Rose Lane pool would remain open, all libraries would remain open, but operations would be restructured, and the special events would remain with the exception of the Jazz Festival. The range of reductions that would have to be done in the first round, this fiscal year and next fiscal year, is between \$4 and \$6 million. Approximately \$3.6 million would come from salary and benefits. This makes sense because the majority of the operating expenses are on salary and benefits. There are currently about 30 vacancies in the general fund, excluding those in public safety. All other operating expenses would account for \$2.3 million. They are still working on the exact mix of the reductions. Those are still be evaluated as to what can be done now and what can be phased in later.

Councilmember Alvarez asked what the fee would be for a child to swim at Rose Lane Pool if it remains open for this coming year. Ms. Schurhammer said there would be no change in fees from what they were this past summer. She did not know the exact amount of the fee, but it would be the same as last summer. Councilmember Alvarez said Rose Lane Pool is the only pool south of Northern and is in an impoverished area, so she was concerned about the fee possibly being \$6. Councilmember Alvarez asked if the library restructuring would include changing to the libraries being administered by Maricopa County.

Mr. Skeete said there were three options being considered. The most favorable option at this point would probably be a restructuring of the current employee staffing structure. That is the most economical way to continue to provide the services. They are continuing to fine tune numbers from the other options of privatization and the Maricopa County Library System, but the Head Librarian and her staff has provided a restructuring model that the City would accept. It would require a complete restructure of the staff and the way they do business, but the model presented continues to insure that the current 111 hours of open service to the public will remain and there will be significant savings with that restructuring. Councilmember Alvarez asked how many employees were at the libraries now. Mr. Skeete said there were currently 57 employees at the libraries. The current proposal being considered would reduce the number of employees and restructure the management. Either through attrition or layoffs, they would potentially lose 10 employees to make the savings projected by the head librarian. Councilmember Alvarez asked if

the libraries were going to stay at the same place. Mr. Skeete said correct. All three libraries would remain open.

Councilmember Alvarez asked about the 30 current vacancies and if part time employees were included in this figure. Ms. Schurhammer said the part time employees were not included. Councilmember Alvarez asked how many part time or contract employees the City had right now. Ms. Schurhammer said they are still gathering that information and are trying to confirm a final piece of information before it is provided. She said there were only 9 contract employees receiving benefits and this makes a lot of difference on the money that is being spent. She wanted to know the number of contract employees and how much we were spending.

Mr. Strunk advised the resident rates for Rose Lane Pool, ages 2 and under, is free, ages 3-17 are \$2.50, ages 18+ are \$5.00, seniors 55+ are \$3.00. For non-residents, ages 2 and under are free, ages 3-17 is \$3.50, ages 18+ is \$6.00, and seniors 55+ are \$5.00. Mr. Strunk commented that 100% cost recovery had been discussed recently.

Mayor Scruggs asked what Mr. Strunk meant when he said we discussed one hundred percent cost recovery, but that wasn't the question. What do you mean? Mr. Strunk said as a part of the budget discussions held recently, the Mayor asked for 100 cost recovery models and that was prepared and shared with the Council and he received direction to maintain Rose Lane Pool at the current fees.

Mayor Scruggs said Mr. Skeete that leads into some statements that have been made, clearly certain things have been taken off the chopping block because of Council direction and those are that public safety doesn't get touched in any way, shape or form, the festivals stay, the fees don't go to 100% cost recovery at Rose Lane Pool and there are a couple of others. She thought he made it clear that's for the first round. When we get to the cuts that need to be made, the reductions that need to be made later on in FY15, everything is back on the table. She wanted to go back to something he said last Tuesday. It was a comment he made and nobody followed up on it and she would like for him to follow up on it now so that the residents have an idea of what's coming before them. The statement he made, if she understood it correctly, was there will be no service provided by the City of Glendale that will not be fee-based, or all services will be fee-based. She couldn't recall if was phrased positively or negatively but asked for clarification.

Mr. Skeete said he made that statement in the context of if we were to consider holding the public safety sector of the City's operating budget harmless through the cuts, throughout the next phase of the \$8 to \$10 million cuts and the \$4 million cuts after that. In order for us to be able to provide any services to the community and hold the public safety group harmless and at current level of funding, all discretionary spending will be used up in providing support services to the enterprise funds that must be operated, such as sanitation, tax collection, the minimum financial services, as well as providing the admin services to the public safety. There will be no more funds available for any discretionary services beyond some minimum services levels like keeping the parks mowed and the right of way clean. Services such as recreation and the libraries would be unable to be kept open if they choose not to impact the public safety funds.

Mayor Scruggs said so that statement relates to if you choose to keep, either the next Council chooses to keep public safety whole and charge for everything else, or close services, or spread it

around and public safety comes into the cuts too. Mr. Skeete said that was correct. He said another alternative would be for another dedicated revenue stream that could be applied to public safety, which would make more general funds available. That is having to consider a tax increase immediately after the tax increase has sunset.

Councilmember Alvarez asked what services are paid for by the property taxes paid by Glendale residents. Mr. Skeete said the current property tax is currently slightly under \$4 million. The maximum amount that could be collected according to state law is slightly under \$5 million. Those funds are used for providing general services to the community and are part of the general fund operating budget. The majority of the funds collected are limited to the payment of debt services for capital improvements that Council has approved in the past. That number is about \$20 per year. Councilmember Alvarez wanted to confirm that general funds were not being used for services like O'Neill and things like that. Mr. Skeete said the City is receiving a small portion of the general fund operating budget, slightly under \$4 million, that is applied to the \$130 million of general fund operating expenses. That is comingled with the sales tax; franchise fees and the state shared revenues and then used to fund the \$131 million of operating expenses.

Councilmember Alvarez said although the pools are open and there is police and fire, the centers are closed and there is nothing for the kids to do. She said this will increase the crime rate, which affects Police. If there is nothing for the kids to do, they get bored and get into gangs. The kids need the recreation centers and community services. The fees being charged at the pools doesn't work for the area. There are many apartment complexes and a lot of people on food stamps. If there are no recreation centers through the schools, the City needs to provide these services. They need to take a look at the money in the general fund that is being held for a special interest group. She would like the Council to think about this some more as she is concerned about an increase in crime. Kids need services when they are very young, such as sports. Citizens are very interested in what the City offers. She said having the pool open isn't enough and closing the community centers is not going to help. She said a lot of the kids go the library to do their homework, as not a lot of kids have computers.

Councilmember Martinez commented when budget discussions started, under the first three scenarios presented, if the team left, there would still be a \$6 million deficit. Mr. Skeete he thought that was correct and a subsequent scenario showed no cuts would have to be made if we didn't have the team. Mr. Skeete said he owed the Council and the community an explanation of that, as that was one of the scenarios presented at the time. That scenario as it was developed and presented did not account for any of the systematic reductions that should be made, knowing that the sales tax would sunset in 2018. Showing that no cuts would have to be made immediately did not account for the fact that the City would potentially lose \$25 to \$28 million after five years. The revised scenarios presented today showing a \$12 million cut should be made between this year and the next two years and this would allow the City to systematically take out the \$12 million to smooth out the impact of the loss of revenue from the sunset sales tax in 2018. Mr. Skeete said there was a little bit of misunderstanding with that scenario as he initially presented it. It did not reflect the realities beyond the first five years. It was an analysis that showed the first five years, where the fund balances would be, what the cuts would have to be in order to maintain that fund balance. It did not reflect the changes that would have to be made to the system once the sunset sales tax went away in the second five years. The analysis given this evening shows the information and incorporates the smoothing out effect.

Mayor Scruggs said with all the work you've been doing on this, surely you have an idea where those smoothing out cuts are going to happen. Can you give us any idea of that, or will you, please give us an idea of where those are.

Mr. Skeete said the scenarios shown today are meant to show the earlier the cuts are made to the base operations; the longer the benefit of the revenues collected by the sales tax will last. If the cuts are delayed in the first year of \$4 or \$6 million, there would still be a positive fund balance at the end of five years, but the drop off in the fund balance would be dramatic after that in 2018. In an attempt to smooth that out and drop the cuts in the funding, Mr. Skeete proposed cuts of \$6 million in the first option or \$4 million in the second option and then \$8 million or \$10 million in 2015 and \$4 million in 2016 in the scenario that keeps the team. This would give the City 9 years to continue to monitor growth and to determine if the growth of 3.5% is sufficient and would give the City time to make adjustments as new realities appear. There would also be an additional four years after the tax to make any drastic changes again to operations.

Mayor Scruggs said okay so I think that the answer to my question is if you're going to cut the \$6 million immediately, you are going to do that by eliminating 67 full time positions, which equates to \$3.7 million in salary and benefits. Of those 67, you feel 30 have vacancies today. Does that mean that 30 don't need to be filled because there are certain jobs that you don't have a choice on filling them or not.

Mr. Skeete said the 30 vacancies today are not necessarily positions that will remain vacant. That number is just to give the Council an idea of how many current vacancies there are. Some of those positions may need to be filled because they may be deemed essential.

Mayor Scruggs said okay, that's what we are getting at. There are going to be 67 people that won't have a job anymore, or there may be less if you can eliminate some vacancies because you deem them not to be essential to this organization. So, those 67 positions that belong to people equate to \$3.7 million in salary and benefits and then all other operating expenses, I don't know what that is, but you're, we won't be doing some things we are doing in order to achieve the other \$2.3 million. Do you have any idea what those types of those things are? What are we not going to do that we are doing now?

Mr. Skeete some of the recreation programs will be eliminated as part of that. The attempt was to keep some of the recreation programs in place, including the biggest recreation activity, the Rose Lane Pool, but the after school programs and some recreation programs would be eliminated. Other savings would come through reorganization and some services may be privatized. Some of the special events the City is keeping may be smaller in magnitude. Marketing and Channel 11 would be restructured and provided at a smaller level

Mayor Scruggs asked is this what we are going to talk about next Tuesday, December 4th.

Mr. Skeete said next Tuesday included a discussion on the details of the structural fixes in the risk management and employee benefit funds.

Mayor Scruggs said okay so those accounts have to have funds replaced, we are going to discuss that next Tuesday. Mr. Skeete said in detail. Mayor Scruggs said but that's not included in this money? Mr. Skeete said yes, they are included in these numbers. Mr. Skeete said he is going to present on the 4th, the details of the numbers included in there. Mayor Scruggs said okay, it

really makes no sense because we are talking about reductions whereas in the other case we have to look for money to fill, replenish. Mr. Skeete said the operating expenses for FY13 at \$135 million do include the numbers required to make those fixes and adjustments to the fund balance. On the 4th of December, the details behind how those fixes will be developed will be discussed. The total numbers are already factored into these scenarios and options.

Mayor Scruggs asked when will all this take place, whichever scenario we go forward with, the \$6 million or \$4 million. When will those have to take place? Mr. Skeete said the process will include consideration within the next 60 days and a full blown presentation in that time frame as well. It will be presented to both this Council and the new Council over the next 60 days.

Councilmember Alvarez said the discussion will be held on December 4th, but the decision to contract with Mr. Jamison will be made today. She asked why they were deciding on the Coyotes issue without knowing the full plan from Mr. Skeete. She said we are getting into a contract for millions of dollars, but don't know what is coming up on December 4th. She said the discussions should have been held prior to resolving the Coyotes issue. She doesn't think this is a good business deal and Council should investigate all the money issues before deciding on the Coyotes issue.

Mayor Scruggs said Councilmember Alvarez and members of the public who have been calling for this item to be tabled, either until we have more financial information or until we have the new Council who will get to work with whatever is put in place, and she did offer that option to the Council at Workshop on November 20th, last Tuesday, and the majority of the Council said, they did not wish to hold this over, so Councilmember Alvarez, to answer your question, the reason it's here tonight is because the majority of the Council said to bring it forward and vote on it tonight. If you want to try a motion to table, you are welcome to do that. She didn't think Councilmember Alvarez was going to get very far.

Councilmember Alvarez said she knew that and she was at that meeting.

Mayor Scruggs said she knew Councilmember Alvarez was at the meeting and was just reviewing it.

Councilmember Alvarez wanted to bring it to the Mayor's attention to consider they were not doing a good business deal. Mr. Jamison deserves the courtesy of knowing the City has the money and they are going to keep their word. The Council was told there were zero funds in the general fund. She said they needed to do what was best for their community.

Mayor Scruggs said she didn't mean to imply that Councilmember Alvarez didn't understand what happened last Tuesday, she was saying people viewing on TV, the people keep saying leave it over for the next group and she was just reviewing and she did not have it within her authority to change what the floor wants. We will go forward with this. Does anyone else have any questions?

Councilmember Martinez commented with respect to Northern Crossing. To refresh the memory of the audience and viewing public the City bought the property because the owners were going to make a big swap mart. The Council did not see that as an option for the future. In addition to that, when the arena issue came up, in talking with Mr. Ellman, part of the deal was we would go ahead with Westgate and the hockey arena on the condition that Mr. Ellman would develop the

property at Northern Crossing, which he did. It is now a viable and thriving center. Also, the sales tax generated from that would help to pay the debt for the arena. Also, with respect to reduction in recreation services, he said the County has some recreation programs and asked if anyone had looked into tapping into some of those programs.

Mr. Skeete said he was not sure how the Recreation Department uses leverages to maximize the benefits to the community. The City will look at the YMCA and the Boys and Girls Club for what services they could provide.

Mr. Skeete advised the Mayor he had an answer to the question about the number of regular part time employees. He said the number of regular part time employees that we currently have on staff is 46. Those employees work no more than 30 hours per week. That number does not include part time employees that we partner with other agencies for traffic jobs around the arena.

Mayor Scruggs asked Councilmember Alvarez did you have any follow up questions to that information that Mr. Skeete just provided. Councilmember Alvarez said no, but asked how long contract employees could work. She thought it was about two years. Mr. Skeete said he was not aware of any specific time limitations on the contract employees. He said they were evaluated annually if their services continue to be needed, they do extend service.

Mayor Scruggs said several years ago, and it really doesn't bear on this, but somewhat why Councilmember Alvarez is asking the questions, many years ago under a previous City Manager, we were told there was a federal law or some sort of law where we could not keep our part time employees without paying benefits more than a certain amount of time. She remembered the two years also, so they had to be converted to full time or let go. That may be what she is saying, but it doesn't bear on this, but I think it goes to what she is talking about.

Mayor Scruggs asked Mr. Jamison, would you or anyone in your group in the front row care to address the Council or the audience.

Mr. Jamison said he realizes this is a big decision and the Council has had a lot of information to deal with. Three brief points: Number 1, its hockey, it's a wonderful sport and has a tendency to unite people both here in Glendale and throughout the valley. It's something more and more kids will get involved with. It's a natural, logical byproduct of having a major league sport in the community. Number 2, the arena, the arena is beautiful and well done. He admired the City for building and providing it for the team. It is a very positive thing. The arena and mall has gone through a tough time, but it provides jobs, both full and part time for 800 to 1,000 people. It can be an economic driver. Many of the hotels and restaurants in the area know when the events are being held. It is probably one of the many reasons Glendale put the arena here. The goal of this partnership is to help make not only the mall but also the City more money, be an economic driver and be a good partner. Number 3, the City is taking a chance and has had big decisions to make. We are just now recovering from 2008. The City is trying to count its costs, look at potential revenue and see what's on the horizon, and see what can get Glendale through this. The major league franchise has a very strong obligation to be a partner with the City where it resides. That is something he takes very seriously and believes in. This is the reason he has eliminated \$30 million in costs from this deal, so hopefully in the short run this will allow the City to make a decision. He respects the decision and the due diligence the City needs to go through to get to the correct answer. He understands this. He cares about the Coyotes and it is

important to him that he understands the City has a big decision to make. If the City votes to keep the Coyotes, this partner will work with them to try and overcome some of their obstacles in the short term. Thank you, Mayor.

Mayor Scruggs said before you go away; there may be some questions for you. Mayor Scruggs said she had three questions that she had been asked to ask you by citizens of Glendale. The last time you were here, she asked who were your investors and you declined to answer. Will you tell us tonight who your investors are? Mr. Jamison said he would not.

Mayor Scruggs said there is a strong feeling around the community, She didn't if know if you would call it a rumor, a belief, or what it is, but there is a very strong feeling that current and/or former Glendale employees will be on your staff or be affiliates according to the terms used in this agreement. Can you verify if that is accurate? Mr. Jamison said he did not understand the question. Mayor Scruggs said are you planning on hiring current or former City of Glendale employees to manage this deal once it's completed. Mr. Jamison said he was not aware of what Mayor Scruggs was talking about. Mayor Scruggs asked do you understand the question. Mr. Jamison said he understood the question. He said that could go very broad and he might not be going broad enough. Mayor Scruggs said maybe ones you've been working with closely. Mr. Jamison said no. Mayor Scruggs said no what? Mr. Jamison said no, he was not.

Mayor Scruggs asked and the third thing is when are you going to close the purchase? Mr. Jamison said they had to wait for this meeting and then they were going to work with the NHL to go as quickly as possible. He didn't have a specific date, but he couldn't go forward until the City Council voted to accept this deal. He said he will then move as quickly as he can to work with the NHL to provide them with the terms of the lease and then get on a schedule to close as quickly as possible. Mayor Scruggs asked you can't give us an estimate now? Mr. Jamison said hopefully in 30 to 60 days.

Mayor Scruggs said she actually has messages on her phone from a year ago, not from Mr. Jamison, but from one of our negotiators saying Mr. Jamison has the money and he's closing the deal, he has the money he's closing the deal, month after month after month, he has the money he's closing the deal. What can you say to that, do you have the money? Mr. Jamison said when it's time to present the money and close the deal, we will do so. He has not has not yet had the opportunity to do that. Mayor Scruggs said then why was the negotiator for the City of Glendale telling me it was all done and you had the money and you were going to close the deal? Mr. Jamison asked was that a year ago? Mayor Scruggs said oh, it's gone through months and months and months. Mr. Jamison said we didn't have a lease until June 8, 2012. From then from 2012 until now when we were prepared to move forward, she then got a call from Mr. Skeete who said we needed to renegotiate. Mayor Scruggs said so all of the messages that were before June of 2012 were not accurate? Mr. Jamison said he wasn't saying that. He said they couldn't go forward until he had a lease. Mayor Scruggs said but when she has messages that say he has the money, he's closing the deal, it didn't say based on a lease. Mr. Jamison said he didn't send those messages. Mayor Scruggs said she's not saying that. Mr. Jamison said he was prepared to answer that in a very fair and honest way. Mayor Scruggs asked do any of the other people who have come with Mr. Jamison wish to speak. No response.

Mayor Scruggs called a ten minute recess.

Mayor Scruggs said thank you, the Glendale City Council meeting of November 27, 2012 is called back to order. Council was now going to begin to receive public comment regarding item 5, and she knew there were some people who have changed their cards they had filled out for Item 6 and decided they wanted Item 5. If you had signed up for 6 and now want 5, just go to the back and fill out a yellow card for 5 and give it to our City Clerk. Give her a moment since the numbers changed. Okay, Council is going to try to get these all in within one hour, which is the amount of time she was going to allot and if she received more, then she will ask that comments be presented in a shorter amount of time. We begin with Mr. Ken Jones. Councilmember Alvarez are you there? Councilmember Alvarez said yes.

Ken Jones, an Ocotillo resident, said the biggest mistake of their lives will occur tonight if this item is approved. Tanger Outlet is now the anchor tenant and the city doesn't need the Coyotes for that role anymore. The sales tax was approved to save people's jobs, not to keep the sports team here. Mr. Skeete did not recommend this deal and his reasoning was it would require more layoffs. He noted Mr. Jamison said having the Coyotes would be good for the children in the Valley. The Valley isn't being asked to pay for this, Glendale is being asked to pay for it. Mr. Jamison indicated he would be a good financial partner, but he wants \$300 million from the City. Mr. Jones said that Mr. Jamison is not giving the City \$300 million, but wants \$300 million of our money. He asked that the Council vote with their hearts and conscience. He said to give up the idea of being a wonderful sports mecca. We don't owe the people from Chicago anything. We owe the people of Glendale. He said if this item is passed, he will talk about a referendum plan that will delay it again under the citizen's comment part of the meeting

Jennifer Lacey, a Sahuaro resident, said she is a 20 year resident of Glendale with her family and she owns a home here. She worked for the City of Glendale at the libraries for ten years and at Glendale Elementary School District. She is invested in the success of the City. She is in support of the lease agreement of Jobing.com arena. While she was pursuing her degree in the east valley, she said her friends never came to the west valley as they had everything they needed on their side of town. This summer she has met many people who do come to the west valley in support of the anchor tenant at the arena, the Coyotes. She said people come here because of the Coyotes. They spend money, buy merchandise and eat at restaurants. This keeps jobs. Glendale is fortunate it has sports facilities to attract people from all over the valley. The Coyotes in Glendale will increase west valley exposure from 5 months of the year to 8 months of the year. If the anchor tenant was removed, 40 nights of events would need to be found. In the current economy, large scale concerts are too expensive for musicians and those performers that do come to the valley are evenly distributed throughout the other venues in the valley. She believes the lease agreement is in the best interest of her city, now and for the future.

Darrin Lacey, a Sahuaro resident, said he was opposed to Proposition 457. He made it his goal to educate Glendale on the negative effects of Prop 457. He only desires what is best for the city. The city has grown and emerged as a diverse area that includes shopping, business, sports and entertainment districts. The discussions held by the city have been distorted to a Coyotes centered issue. The true issue is that Glendale owns an arena and will have to operate the arena regardless of whether the tenant occupies the arena. What should be decided is what makes best use of the arena and what will provide enough foot traffic to help the area fully realize its potential and vision. The City has been experiencing what life would be without an anchor tenant during the NHL lockout. Restaurants and retailers have reported \$18,000 to \$25,000

losses per game due to the decreased foot traffic. The lockout does provide a glaring example of the consequences of allowing the team to leave. The agreement provides for 70 guaranteed events, under penalty. That is largely due to the Coyotes being the anchor tenant. In order to fully realize the potential of the Westgate area, it is imperative that Glendale secure the Coyotes as an anchor tenant. Mr. Jamison has a proven track record of running an arena. He can accomplish this by building up throughout the community. This is what we lack surrounding this team. With this agreement, we not only guarantee an anchor tenant, but gain a community leader in Mr. Jamison. Westgate was designed to bring economic growth and stability to Glendale. This will be accomplished by being both a jobs creator and a revenue stream for the City. It has been a big investment for the City and has a future potential to become a major economic engine. This is a long term investment for Glendale to flourish and come out ahead in the end. At the end of this agreement, Glendale comes out ahead by almost a 2 to 1 margin, about \$100 million. This alone, proves this is a wise investment for the City. He requests the Council votes yes on this agreement.

Monique Reaux, a Phoenix resident, said the Council does amazing things for the City every day. This matter has gone on way to long and this issue needs to be put to rest. It is unfortunate, but the City knows this is going to cost them. There isn't really anything new to say. Out of all the people who have come forward for this deal, Mr. Jamison is the only one who has wanted to partner to get this deal done. The debt has to be serviced. No one has ever made a profit from subtraction. Subtracting 40 games and trying to rebuild the area doesn't make any sense. Mr. Jamison is willing to do 30 more events or pay a penalty. That hasn't been on the table before. Ms. Reaux commended Mayor Scruggs and Councilmember Clark for their perseverance in the face of great opposition. The Council's efforts are inspiring. She asked that the Council approve the agreement.

Larry Feiner, a Sahuaro resident, said he previously asked the Council to negotiate the best deal they could without losing the Coyotes. He knew losing the team would be worse than anything. He has looked at all the deals and this one is by far better than all the others. For an arena management agreement to work, they need to hire someone who is experienced in these issues. Mr. Jamison is experienced and wants the job. This contract would give the City and the franchise everything needed to turn around the team and Westgate. He has done it before in San Jose and can do it again in Glendale. Mr. Feiner provided a list of Mr. Jamison's accomplishments. Mr. Jamison deserves this lease and Glendale deserves to have the Coyotes and this lease for years to come.

Gary Lamme, a Sahuaro resident, said he has no problem with the Coyotes and knows several hockey players. He said the City does not have the money and is broke. He understands the supporters of the Coyotes, but the fact is the City does not have the money. He was led to believe that if Prop 457 passed, everything would go back to normal, Police and Fire would not suffer any losses. He said this was printed in the Glendale Star. He said the money is now going to be used for the Coyotes. He said he was not told the truth. He said we cannot do without Police and Fire, but we can do without the Coyotes. He volunteers with the Police Department. If the City has to cut pool operation and the libraries, it doesn't put anyone in harm's way, but Police and Fire cuts just are not acceptable.

Rod Williams, an Ocotillo resident, said if the arena does not hold an extra 30 events, the city will be reimbursed \$750,000. If there are no hockey games, the city will be reimbursed \$2.4

million, yet the City is willing to give Mr. Jamison \$16 million a year. For about \$13 million a year, he wouldn't have to do one thing. The City Council is going to have to face the employees they are going to lay off. Five years from now, Police and Fire will be faced with cuts. The Council says how great the employees are all the time, but they are going to be rewarding those employees by laying them off.

Walt Opaska, a Cholla resident, asked the Council to reject this agreement. He said if the revenue projections overstated the revenue and benefits to the City then Glendale is headed for bankruptcy. The City is in a bad state with or without this deal and if the City is paying millions of dollars and the economic projections don't come true, the City is not going to be able to afford its bills. Glendale does not have a good history of making economic projections related to stadiums. In 2001, the City projected it would be making millions of dollars on Jobing.com arena. In 2007, the City projected Camelback Ranch would be a boom for the City. Neither of these projections came true. Both deals were very bad for the City. Now, we are supposed to believe the new projections are correct and are going to be good for the City in 10 or 15 years. Don't fall for the same trap this time of accepting overly optimistic projections that inflate the revenue when we just don't know what is going to happen. He asked for the City Council to reject this agreement and try and negotiate a new deal that is good for the City, based on sound economic projections.

Councilmember Elect Sam Chavira, a Yucca resident, said he has lived in the district for 20 years. He has been a Phoenix Firefighter 15 years ago. He chose Glendale to raise a family. He said Glendale has safe neighborhoods and is a well-maintained city. Earlier this year, he entered politics because he saw a chance to strengthen his family's chance of enjoying a better quality of life in Glendale. He personally knocked on thousands of doors during his campaign. He talked about the right priorities for Glendale, attracting high paying jobs, promoting education and protecting public safety. He also did a lot of listening. He said there is a genuine concern that deals made by the City Council have threatened the very quality of life that makes Glendale special. Citizens are tired of risky deals being made that benefit out of state corporations and developers that leave Glendale without proper guarantees and puts City services at risk. Over and over they heard frustration of city events that have been cancelled and the children growing up not being able to celebrate what makes Glendale special. Through attrition, Glendale has lost nearly 50 police and firefighters. The streets are less safe and neighbors are left waiting for help at their time of greatest need. He has never wavered in his support of the Coyotes at Westgate. The Coyotes can be one of the City's greatest assets; however, Glendale needs to start making smart deals that puts the interests of Glendale first. He asked the City Council to consider the long term impacts of their vote. For the outgoing councilmembers, today's vote may write the legacy they leave behind to the City after years of dedicated service. For those continuing their term, the deal will continue to impact the City for years. He hopes the proper research has been done, budgetary figures are confirmed and safety nets are in place to protect the citizens of due diligence. He looks forward to bringing that style to the Council when he takes office. He looks forward to serving alongside the Councilmembers for the benefit of their neighbors. He asked that the City fiscally cleans house, get it in order and find out exactly where we are at with the budget before making any deals.

Arthur Thruston, a Cactus resident, talked about quacking ducks, dead ducks, and lame ducks. He discussed the Mayor and Councilmembers who were leaving. He didn't think it was right that

this Council should be voting on this issue this evening. The vote should wait until the new Mayor and Council are seated.

Jessica Engel, a Phoenix resident, said she has been watching the process for several years. She said the Westgate needs an anchor tenant that brings the foot traffic in. The Coyotes bring in about 600,000 a year. Studies show we are going to recoup the arena management fee. Someone has to manage the arena and its better if the anchor tenant is managing it. This is not the time to be focused on the here and now; we need to focus on the long term good for the City. Mr. Jamison has a proven past.

Ronda Pearson, a Phoenix resident, asked the Council how they would invest their personal money. She asked if the Council would trust their money with an investor who has no proven financial success. Mr. Jamison has a proven track record of financial success. The City has invested in Jobing.com Arena and the Phoenix Coyotes and it is time to let the successful investor take control of it. After going through this process, this is about friends and community. She believes in this deal. She said there is no plan if this deal doesn't go through.

Darrold Larson, a Cave Creek resident, opted to not speak.

Joe Fraser, a Tempe resident, said he came to the meeting tonight as a small business owner. He would question why his own Council might not prevent a large business from leaving his city. The arena employs 150 full time employees and provides 550 part time jobs. Westgate shops employees about 500 people and the surrounding hotels an additional 200 employees. These businesses provide livelihoods to many people and they chose Westgate because there is a professional hockey playing there. They rely on the team and supporting activities that take place there. Mr. Jamison will bring 40 nights of hockey and 30 additional nights of concerts or other activities that bring more than 7,000 people to the arena. He asked the Council to reach a deal with Mr. Jamison.

Bill Demski, a Sahuaro resident, said he got pushed to the back of the Council Chambers, even though he has paid taxes in Glendale for 30 years. He said it is insane what is going on with this deal. He said taxes have gone up on everything, including on his in-laws who are on a fixed income. He said many people are living in poverty and free loaders are coming in and taking all the money. He said giving Mr. Jamison \$320 million is insanity.

Troy Baker, a Surprise resident, said every Sunday he and his family attend Cardinals games. He goes to about 60 games, 65 events at Jobing.com alone. He said he has had an opportunity to do all the events and visit the businesses at Westgate. He passes all the businesses near his home and comes to Glendale to spend his money. He believes the Council is doing a good thing and moving in a good direction. He has been a Coyotes fan from the beginning. He talked about Canadians who visit Glendale to see the hockey team.

Mayor Scruggs said well that completes all the speaker cards and we did all fourteen cards in 58 minutes. We did a great job. Now we will go back to discussion of the Arena Management Lease Agreement. Do any of the Councilmembers wish to ask any questions about that or make any statements? She was not calling for the Ordinance to be read yet. No response. She said let me ask a couple of questions then. She said this would go to either/or Mr. Skeete or Mr. Tindall. Hopefully, you agree on the answer.

Mayor Scruggs said okay, she talked to both of them about the fact that the agreements mention both a team owner and an arena manager, even though they are going to be the same entity. They've explained this is the way it has always been, it is always this way, but they are two different entities for the purpose of going forward. Is that correct? Mr. Tindall said yes that is correct.

Mayor Scruggs said a question she had is if the entity is the one we enter into an agreement with, chooses to be one or the other, the entity doesn't want to be an arena manager anymore but just wanted to be a team owner, can that happen? Mr. Tindall said the agreement states if the arena managing entity no longer wishes to manage the arena, the city has the ability to hire another manager, but it does not relieve the team of its obligations under the agreement. The team doesn't have the option not to fulfill its obligations under the agreement so long as the City doesn't default.

Mayor Scruggs said she was more interested in what happens if the team owner decides they do not want to continue to be the arena manager, and who gets to pick that new arena manager, and is there any involvement on the party of the City in this new arena manager coming on board? Mr. Skeete said the way the agreement is written, if the current arena manager chooses to have a new manager manage the arena on his behalf, that process will require review and approval by the City Council. Mayor Scruggs said so the entity could not decide they just don't want to be the arena manager anymore, but they could enter into an agreement with somebody else to take over the responsibilities. Mr. Skeete said that while the City does have some approval, that approval is limited as long as the new entity is ready to honor the obligations and agreements in this contract. Mayor Scruggs asked could the arena manager enter into some contractual arrangement with this new entity without coming through the City for approval by the Council. Mr. Skeete said my guess is not. Mayor Scruggs said no, she doesn't want a guess, she wanted to know. Mr. Skeete said the way the agreement is written today, it must be approved by the City Council. Mr. Tindall said there is a section in the agreement that allows the arena manager to delegate responsibilities to an arena sub-manager. The arena manager still maintains the same obligations, but it can use another entity to fulfill those obligations. Mayor Scruggs asked do we have a deal, without any position taken by the City as to whether they want that other person to take over or not. Mr. Tindall said that was true, but the arena manager would still have the same obligations, so they could contract out all or part of the obligations, but they would still have the same obligations to the City. If the arena manager was not fulfilling his responsibilities, the City would be able to take action against the arena manager.

Mayor Scruggs said she had a question regarding several places in which there is reference to a waiver of conditions and she would just pick out one. This is section 17.2.3, Conditions to the Obligations of the City, reference a waiver of such conditions when it talks about waiving conditions in this agreement, who has the right to waive conditions for the city. Mr. Tindall said in order for these to be waived, this would be a substantial waiver of a material part of the agreement, so counsel would be required to take action to waive those conditions. Mayor Scruggs said okay here's one that is in complete sentences. Closing and closing date, page 7, "means the consummation of the transaction and the date of consummation contemplated by this agreement upon the satisfaction or waiver of all conditions set forth in section 17.2." So her question was could such a waiver be an administrative act. Mr. Tindall said it would require council action.

Mayor Scruggs asked if no one else has any questions. She said if this is approved tonight, when do you sign it, Mr. Skeete. When do you have to sign this agreement? Mr. Skeete said the signing of the agreement can take place anytime between now and when Mr. Jamison officially owns the team. The agreement does not take effect until after he owns the team. So, signing the agreement after tonight's vote will not put the agreement into effect that would only happen when Mr. Jamison is able to sign the agreement after he owns the team. Mayor Scruggs asked would there be any reason why he would sign before he completes his purchase of the team since it can't go into effect. What would the reason be to sign it? Mr. Skeete said there will be no sense of urgency to sign the agreement until Mr. Skeete gets word from the NHL that Mr. Jamison is in the process of closing the transaction on the purchase of the team. Mr. Tindall said part of Mr. Jamison's efforts to raise the necessary financing is contingent on the lease agreement. The provision that allows for the City to sign the agreement with a condition precedent, that it not be effective until the team is purchased, does facilitate Mr. Jamison's effort. That is the purpose of that provision being in there.

Mayor Scruggs proposed an approach for the Council to consider. Mr. Jamison said he brought into this deal 17 months ago and she imagined that must be the case because Council's been hearing about it for 17 months. This prolonged delay of actually having the team purchased and things going forward has been very detrimental to the City of Glendale in many ways and it looks like it could go on indefinitely. Now, we have another dynamic at work and that is some people who say you're going to leave us with this thing to manage and we should have a say in this, meaning the newly elected Councilmembers and Mayor who will actually be a majority of the Council at that time. So, she's going to propose for Council consideration that rather than leave this open-ended as we did in June when this was approved, that there be an end date on this, that the purchase of the team must be finalized by January 15, 2016, because on January 16, 2013, new people are seated. She said Councilmember Alvarez actually made a reference in our workshop a week ago and she said yeah, it's like we are renting a house only the renter tells us how much rent they are going to pay, when they are going to pay it and sets all the other conditions of being a renter and we, the landlord, just say okay, whatever you say. So, she's going to propose when the Ordinance is read that a motion include a date of January 15th by which the purchase must be consummated so that the agreement can be signed and entered into so that this City can move on with its fiscal life. The longer this stays in abeyance, the more difficult it is for the city, so she was putting this out for your consideration.

Councilmember Clark said this has come out of nowhere and she would like to hear Mr. Jamison's thoughts of a date certain.

Mayor Scruggs called Mr. Jamison forward.

Mr. Tindall said he wanted to point out that the agreement does have a date in it. It has a date of January 31, 2013, which is the end date for the closing. Mayor Scruggs said okay, then missed that, she apologized. Mayor Scruggs said the one date she found was June 30th, 2013 for him to get the \$11 million. Mr. Tindall said it is page 63, its 17.2.3, subsection F, the closing date shall occur on or before January 31, 2013, unless extended by the City. Mayor Scruggs said okay now you say this is on page 63. Mr. Tindall said page 63 of the non-redline version.

Mayor Scruggs said okay on page 66, she found F, the closing date shall....So what happens then unless extended by the City. So, at that point, if it has not occurred, it comes back to the City

Council, which would be the new City Council, to make a decision. Is that correct? Mr. Tindall said probably before that, but that was correct. Mr. Tindall said January 31, 2013, is the outside closing date, unless extended by the City. Mayor Scruggs said but that would be by the City Council action, not an administrative act. Mr. Tindall said it would require City Council action. Mayor Scruggs said in the past everything was done administratively and that is why she asked these questions. Things were done administratively and we were not told, so how would we know this would be a City Council action. Mr. Tindall said this is a substantive alteration of this agreement, so it would require Council action. Mayor Scruggs said well it will be recorded then in the minutes, so she appreciated that.

Councilmember Clark said every major change that has occurred to this deal has been brought to the Council. She did not know what administrative actions the Mayor is referring to. Mayor Scruggs said she agreed totally. What she was referring to, other actions, notably having to do with the arena and Coyotes previously and other situations. She was not referring to this and she would like to compliment Mr. Skeete because the changes in terms of the negotiations, the money aspect of this, the fact that there is some accountability are all due to him and she gave him credit for his work.

Councilmember Clark said on December 27, 2003 they celebrated the grand opening of the arena and now almost 9 years later, hopefully they are celebrating an event as important as the opening of the arena itself. This lease agreement will guarantee stability of the arena for at least 20 years. She said it is time to give the arena a chance to improve the area. They have devoted more land to development in this area than in any other area of the City. Glendale's western area because more centrally located as the valley grows. Years ago, a vision was created for west Glendale and Westgate. With an affirmative vote, they hold true to the vision of 9 years ago. A promise was made to the residents of Glendale to fully, economically develop the western region of the city. If the agreement is not approved, Glendale takes one step toward their own fiscal cliff and toward the failure of Westgate.

Councilmember Martinez pros and cons of the agreement have been discussed and direction was given to proceed. Based on the most recent revisions that were negotiated, his decision is a lot easier, with the lease payments being prorated. He has supported keeping the Coyotes in Glendale for the longest time and he thinks it's the best decision for the City long term. He thanked Mr. Jamison for showing his willingness to renegotiate some of the terms of the agreement.

Councilmember Alvarez made her decision a long time ago. She can't say she feels this is the best decision when the City can't afford it. She said at the November 20th meeting she said they couldn't afford it. She said I don't know or I wasn't told is not a good excuse. Transfers were done that were not legal to do. She asked how much profit has been made from the arena and Mr. Skeete told the Council zero profit has been made. If it wasn't for the Mayor exposing some of what was going on, they would have no idea about any of this. She said this isn't a good deal. She said it is their job to look for a better way to make Glendale a safe community. Investment should be made for Glendale's future and not for business. She has asked for information from day 1, but not all of it has been shared. She said they have not done a good job. She said they need to be responsible. She will not vote for this because she sees what is happening. She can't believe the City is in this position.

Councilmember Knaack said this has been a very tough decision. She appreciates all the input from the citizens. She doesn't think it is a sports issue; it is an anchor tenant issue. It means bringing over half a million people to Westgate every year. She is concerned about the loss of jobs, both at the City and at Westgate. The economy is the reason we are in this financial situation. She sees the economy as the problem, but Westgate will help improve things. She said the agreement with Mr. Jamison is the best one we will get. Mr. Jamison will do his best to see this succeed. She will vote in favor of this agreement.

Mayor Scruggs said she would like to make a clarification to Rod Williams' statements made with regard to the cuts to public safety starts in 2015, not 2018 and the tax ends after 2017. Mr. Lamme summed it up best. He said this is what we can afford and what we can't afford is what this is all about and we just don't have the money. Proposition 457, so many people voted it down and they voted it down because they voted for their services and for the City they knew and loved. Way back in February, we were told by our then City Manager that this sales tax increase had nothing to do with the Coyotes, but yet when the City staff went all over making their explanations of the cuts that would happen, it was stated very clearly, it was stated by Mr. Skeete in workshops, that if that sales tax didn't stay, then we couldn't do the Coyotes deal. So, that sales tax is totally tied to being able to pay money to somebody to bring in these 600,000 people a year.

On November 5th, we were told our general fund balance was negative. She didn't know about you, but in my house, first of all she doesn't have a checking account that is going to be negative, but if you have less than zero in your checking account, do you go up and sign up on a long term contract? That's what this is about, signing a 20 year contract when the city has less than zero in our general fund. She believed the public will find they were misled when they voted against Proposition 457 and they are going to find that because they are going to lose their services. She will continue to not support this, and the reasons are that she chooses to support small businesses in downtown Glendale who do not have a New York based real estate firm, like Westgate has, that can lower their rents, make concessions and do whatever they need in order to keep those businesses in business. The most recent article from the Phoenix Business Journal says Westgate is 70% leased and it says there are several new tenants coming. It doesn't say depending on the Coyotes thing, it just says there are several new tenants coming and they are looking forward to the 5 million people that will be visiting Tanger Outlets. So, she thought it was up to Ice Star to keep those businesses profitable. You know, our folks downtown here, nobody gave them money. They invested their own money to start their businesses. They don't have some big rich organization that says okay, you're not doing well, we'll fix the rent or you don't have to pay rent for a long time, or whatever, just to keep you in business. Why does she focus on downtown? She focuses on downtown because, quite honestly, our festivals, our special events that have been developed for economic development for downtown Glendale will be back on the chopping block. They were on the chopping block before, they will be again. She was asking Mr. Skeete, to tell her what those operating expenses are that he is going to cut that aren't personnel. He kind of danced all over the place, but he said there are not many places to go. There's not much that can be taken. Well, folks, when you go outside, enjoy those lights, because it's probably going to be the last year you are going to see them.

How does that tie to downtown, that's what we do? You know, there's a whole lot being said it's our responsibility to save Westgate. She didn't think so, because they've got big, rich Ice

Star to save them. But these businesses out here don't and that's our attempt to help them and she thought that's all going to be gone and she thought that's going to destroy the heart of our City. Finally, and most importantly, she chose to support people in different uniforms than Coyotes uniforms. She chose to support people in our Police Department uniforms and our Fire Department uniforms and our road crew, streets crew uniforms and our Public Works uniforms, and our custodians' uniforms. She chose to support people in those uniforms over people in Coyotes uniforms. She believes that's what our residents wanted when they supported keeping the tax increase. She had been saddened and been shocked by this reference to it being more important or just as important to save jobs in Westgate as it is to save our employee's jobs. We each took an oath of office. That oath of office had nothing to do with saving jobs at a private development, none whatsoever. My oath of office directs that she protect services to our citizens and those services are provided by our employees. To hear that people feel they are expendable is shocking and very saddening. Finally, she knew a lot of you heard the discussion at the last workshop and she knew you've been all talking to each other about it back and forth about those mysterious documents that the Mayor said she got, but nobody else got, that were released on April 21, 2012. They have since been released in response to a public records request. They were sent to all the Councilmembers again, even though they had them the first time. In those documents was one sheet of paper and the title of it, now remember these were all created in 2009 around the time Mr. Moyes put the team into bankruptcy, maybe a little before or a little after. This one document was titled 2009 Coyotes Financial Assistance Plan. You can't say it much more plainly than that. In 2012, this is still a Coyotes financial assistance plan. She chose to support a City of Glendale financial assistance plan instead. Thank you. If there are no other statements, she would call for the vote.

It was moved by Clark, and seconded by Frate, to approve Ordinance No. 2826 New Series. Motion carried on a roll call vote, with the following Councilmembers voting "aye": Clark, Knaack, Martinez, and Frate. Members voting "nay": Alvarez and Scruggs.

She stated the emergency clause does not go into effect. The Ordinance has passed. There is no emergency clause, because it did not meet the requirements set out in our Charter for the number of votes.

RESOLUTIONS

6. ARENA LEASE AND MANAGEMENT AGREEMENT AND NONCOMPETITION AND NON-RELOCATION AGREEMENT WITH ARIZONA HOCKEY ARENA PARTNERS, LLC AND ARIZONA HOCKEY PARTNERS, LLC

PRESENTED BY: Horatio Skeete, Acting City Manager

RESOLUTION: 4629

This is a request for City Council to adopt a resolution authorizing the entering into of the following agreements with Arizona Hockey Arena Partners, LLC and Arizona Hockey Partners, LLC for the use of the city-owned Jobing.com Arena by the Phoenix Coyotes: (1) Arena Lease and Management Agreement and (2) Noncompetition and Non-Relocation Agreement.

Mayor Scruggs asked does anybody have any questions before she opened this up for public comment. At this time, there are 14 speaker cards.

Troy Baker, a Surprise resident, said he already spoke on the last matter and just wanted to say thank you for Council's time.

Jordan Dickson, a Cholla resident, said he was a 22 year old native of Arizona and a student at Glendale Community College. He loves watching hockey and has been a ticket holder for the past three seasons. He said we are a Coyotes family. He is ready to do whatever it takes to keep the Coyotes. He is ready to make Westgate his all things destination, especially now that the Tanger Outlets are open. This affects all of us. He thanked Mr. Jamison for coming out tonight. Although he has lived in Glendale for 22 years, he has never used the recreation center and has been the library only once, but he was called a leech and a freeloader tonight. He is a taxpaying resident and a true fan begging to hear the goal horn one more time. He is in favor of savings the jobs of hundreds of Westgate's employees, because he used to be one of them.

JoJo Fraser, a Tempe resident, opted to not speak.

Kaleb Reedy, a Goodyear resident, thanked the Councilmembers for voting yes and said he will make sure to see things through. He praised Vice Mayor Frate and Councilmember Martinez. He said he was worried about Councilmember Knaack, but thanked her for coming through. He gave credit to Mayor Scruggs, but said her support on previous deals got us to the deal that has been a resounding best deal for the City. He also thanked Councilmember Clark for her hard work that she did. He said he goes to school here, works here and looks forward to spending money here.

Jim Schulte, a Sahuaro resident, was not present when called.

Bill Demski, a Sahuaro resident, asked where the city was going to get \$324 million.

Arthur Thruston, a Cactus resident, said he wanted to make congratulatory remarks to the Coyotes fan. He has never been to a Coyotes game. He commended Councilmember Clark to stand up against the other Councilmembers.

Darrin Lacey, a Sahuaro resident, opted to not speak.

Jennifer Lacey, a Sahuaro resident, opted to not speak.

Monique Reaux, a Phoenix resident, opted to not speak..

Larry Feiner, was not present when called.

Resolution No. 4629 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 EXECUTION AND DELIVERY OF THE FOLLOWING TWO AGREEMENTS: (1) ARENA LEASE AND MANAGEMENT AGREEMENT WITH ARIZONA HOCKEY ARENA PARTNERS, LLC AND ARIZONA HOCKEY PARTNERS, LLC; AND (2) NONCOMPETITION AND

NON-RELOCATION AGREEMENT WITH ARIZONA HOCKEY PARTNERS, LLC AND ARIZONA HOCKEY ARENA PARTNERS, LLC.

It was moved by Frate, and seconded by Martinez, to pass, adopt and approve Resolution No. 4629 New Series. Motion carried with the following Councilmembers voting “aye”: Clark, Knaack, Martinez, and Frate. Members voting “nay”: Alvarez and Scruggs.

7. EQUITABLE SHARING AGREEMENT WITH THE ARIZONA DEPARTMENT OF GAMING

PRESENTED BY: Debora Black, Interim Police Chief
RESOLUTION: 4630

This is a request for City Council to waive reading beyond the title and adopt a resolution authorizing the City Manager to enter into an agreement with the Arizona Department of Gaming for the equitable sharing of Racketeering Influenced Corrupt Organization (RICO) assets.

Participation in this program allows the Police Department to receive a portion of the RICO assets seized on criminal cases worked in conjunction with the Arizona Department of Gaming. This agreement allows the Police Department to collect 40% of the assets seized from a recent joint investigation.

Resolution No. 4630 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 AN EQUITABLE SHARING AGREEMENT FROM SEIZURE AND FORFEITURE WITH THE ARIZONA DEPARTMENT OF GAMING ON BEHALF OF THE GLENDALE POLICE DEPARTMENT.

It was moved by Martinez, and seconded by Knaack, to pass, adopt and approve Resolution No. 4630 New Series. The motion carried unanimously.

8. LICENSE, MANAGEMENT AND OPERATIONS AGREEMENT WITH ARIZONA GOLF VENTURES, LLC FOR GLEN LAKES MUNICIPAL GOLF COURSE

PRESENTED BY: Erik Strunk, Executive Director, Parks, Recreation & Library Services
RESOLUTION: 4631

This is a request for City Council to waive reading beyond the title and adopt a resolution authorizing the City Manager to enter into a two-year contract with Arizona Golf Ventures, LLC for the management and operations of the Glen Lakes Municipal Golf Course.

In September 2008, the Council approved a 10 year agreement with Glen Lakes Golf Management LLC to operate and maintain the golf course. Through a series of actions, it was necessary to find that company in breach of contract and on October 24th, the City took possession of and seized the assets of Glen Lakes Golf Course. The City worked with Arizona Golf Ventures LLC and staff was recommending a two year management agreement with that company. The City will not incur any costs at the golf course which will continue to generate

revenue for the City. The City is asking they pay the City \$1,000 per month beginning after the 6th month of operation, in addition to \$60,000 per year in in-kind services.

Mr. Strunk said the two year contract is time to work through a separate request that the Council discussed in workshop in October which was the potential repurposing of the golf course. That will take time and this agreement is reflective of that.

Mayor Scruggs asked if all operating expenses were going to be assumed by Arizona Golf Ventures. Mr. Strunk said yes. Mayor Scruggs said so there is no expense on the city's side? Mr. Strunk said that is correct.

Vice Mayor Frate thanked Mr. Strunk for resolving this in a timely manner with no cost to the City.

Councilmember Knaack is happy and this agreement and so are the citizens who live in the area. She would like to keep the golf course self-sustaining.

Resolution No. 4631 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 THE CITY MANAGER TO EXECUTE A LICENSE, MANAGEMENT & OPERATIONS AGREEMENT WITH ARIZONA GOLF VENTURES, L.L.C. FOR THE MANAGEMENT AND OPERATION OF THE GLEN LAKES GOLF COURSE LOCATED AT 5450 WEST NORTHERN AVENUE IN GLENDALE, ARIZONA.

It was moved by Knaack, and seconded by Clark, to pass, adopt and approve Resolution No. 4631 New Series. The motion carried unanimously.

9. COUNCILMEMBER APOINTMENT

PRESENTED BY: Horatio Skeete, Acting City Manager

This is a request for the City Council to fill the Councilmember vacancy in the Cactus District.

The Mayor will accept a motion or motions, call for a second, and conduct a vote of the Council that shall, by virtue of assent of a majority, fill the Councilmember vacancy in the Cactus District.

Councilmember Martinez said this issue came up at the workshop last Tuesday. At that time, he did not support this as he didn't think it would make that much difference. However, after thinking about it, he has changed his mind and he would have no problem with going ahead and letting Ian Hugh complete the term of Councilmember Lieberman.

It was moved by Scruggs, and seconded by Knaack, to approve to fill the Councilmember vacancy in the Cactus District with the Councilmember Elect, Ian Hugh. The motion carried unanimously.

REQUEST FOR FUTURE WORKSHOP AND EXECUTIVE SESSION

It was moved by Frate, 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, December 4th, 2012, to be followed by an Executive Session pursuant to A.R.S. 38-431.03. The motion carried unanimously.

CITIZEN COMMENTS

Bill Demski, a Sahuaro resident, commented about the latest listing of the 10 most dangerous occupations. He talked about a list of the highest paid police officers and firefighters and how much police officers and firefighters earned in overtime. He talked about Mr. Beasley's retirement pay and the amounts of money put into pension accounts by police and fire administrators. He suggested an audit of the administrator's salaries.

Helga Bermgard, a Cactus resident, commented she has lived there for 38 years. She worked for Larry Miller for many years. She said the fence with the barbed wire was taken down at Glendale and 47 Avenue and was thankful for that. She is hoping to get big names at the arena now. Fourteen palm trees were taken out of her neighborhood because of wires. She thought the trees should have stayed and the wires could have been put underground. She said they were promised a city building at 47th and Glendale, but now it is a body shop.

Bud Zomock, an Ocotillo resident commented about placing the public comment item at the beginning of the meeting. He stated Councilmember Alvarez asked that public comment go first at recent council meeting. He said he was not in favor of that because after listening to the meeting, many of the questions he had were answered. He said this is his government and he should be able to sit through a council meeting to answer his questions.

Salvador Reza, a Phoenix resident, said he thought Phoenix was bad, but Glendale topped it. He talked about the 1948 United Declaration of Human Rights and the fact that human rights were being violated every day. He talked about police officers who practice racial profiling and provided a CD to prove this. He said Glendale is tied to the same thing Sheriff Joe is doing. He asked that Glendale declare itself a human rights city.

Aviola Lara spoke Spanish and a person from the audience translated. She said she lived in Glendale. She was not stopped by the police, but she does have evidence of racial profiling by the police. The police stopped a person for his physical appearance. It bothers her that Glendale would be the same as living in Phoenix. In Phoenix you have less confidence with the police, but she didn't want to lose confidence of the police in Glendale. She is concerned about how the image of Glendale is presented.

Bonnie Steiger, a Sahuaro resident, spoke and said most of the people speaking were very good, except the gentleman who insulted some people, they were not freeloaders and they pay a price to attend the games. She thought he was rude, telling people what others earned. She is for the Coyotes.

COUNCIL COMMENTS AND SUGGESTIONS

Councilmember Frate congratulated Councilmember Martinez and his wife, Mary, upon the celebration of their 60th wedding anniversary yesterday. He came to work on his anniversary. He commended Councilmember Martinez and wanted to acknowledge him for that. Please watch children around water.

Councilmember Martinez thanked everyone who showed up and spoke today. They heard good arguments by both sides. It is important that people do show up and tell them what they think.

ADJOURNMENT

There being no further business, the meeting was adjourned at 11:18 p.m.

Pamela Hanna

Pamela Hanna - City Clerk