

# Glendale City Council Workshop & Executive Session Agenda

January 18, 2011 – 1:30 p.m.

Workshop meetings are telecast live at 1:30 p.m. on the first and third Tuesday of the month. Repeat broadcasts are telecast the first and third week of the month – Wednesday at 3:00 p.m., Thursday at 1:00 p.m., Friday at 8:30 a.m., and Sunday at 9:00 a.m. on Glendale Channel 11.

## Welcome!

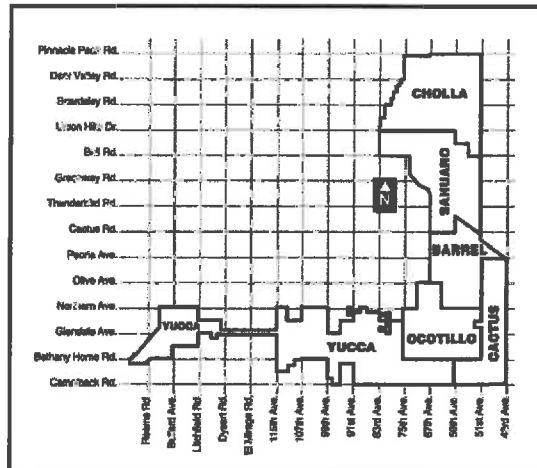
We are glad you have chosen to attend this City Council workshop. We hope you enjoy listening to this informative discussion. At these "study" sessions, the Council has the opportunity to review and discuss important issues, staff projects and future Council meeting agenda items. Staff is present to answer Council questions. Citizens may also be asked by the Council to provide input.

The City Council does not take official action during workshop sessions; therefore, audience comments on agenda items are made only at the request of the Mayor.

## Workshop Schedule

Council workshops are held on the first and third Tuesday of each month at 1:30 p.m. in the Council Chambers of the Glendale Municipal Office Complex, 5850 W. Glendale Ave., Room B-3, lower level. The exact dates of workshops are scheduled by the City Council at formal Council meetings. The workshop agenda is posted at least 24 hours in advance.

Agendas may be obtained after 4 p.m. on the Friday before a Council meeting, at the City Clerk's Office in the Municipal Complex. The agenda and supporting documents are generally posted to the city's Internet web site, [www.glendaleaz.com](http://www.glendaleaz.com).



## Executive Session Schedule

Council may convene in "Executive Session" to receive legal advice and discuss land acquisitions, personnel issues, and appointments to boards and commissions. As provided by state statute, this session is closed to the public.

## Questions or Comments

If you have any questions or comments about workshop agenda items or your city government, please call the City Manager's Office at (623) 930-2870.

If you have a concern you would like to discuss with your District Councilmember, please call (623) 930-2249, Monday - Friday, 8 a.m. - 5 p.m.

## Form of Government

Glendale follows a Council-Manager form of government. Legislative policy is set by the elected City Council and administered by the Council-appointed City Manager.

The City Council consists of a Mayor and six Councilmembers. Voters citywide elect the Mayor every four years. Councilmembers hold four-year terms with three seats decided every two years. Each of the six Councilmembers represents one of six electoral districts.

\*\* For special accommodations or interpreter assistance, please contact the City Manager's Office at (623) 930-2870 at least one business day prior to this meeting. TDD (623) 930-2197.

\*\* Para acomodacion especial o traductor de español, por favor llame a la oficina del administrador del ayuntamiento de Glendale, al 623-930-2870 un día hábil antes de la fecha de la junta.

## Councilmembers

Norma S. Alvarez - Ocotillo District  
H. Philip Lieberman - Cactus District  
Manuel D. Martinez - Cholla District  
Joyce V. Clark - Yucca District  
Yvonne J. Knaack - Barrel District



**MAYOR ELAINE M. SCRUGGS**

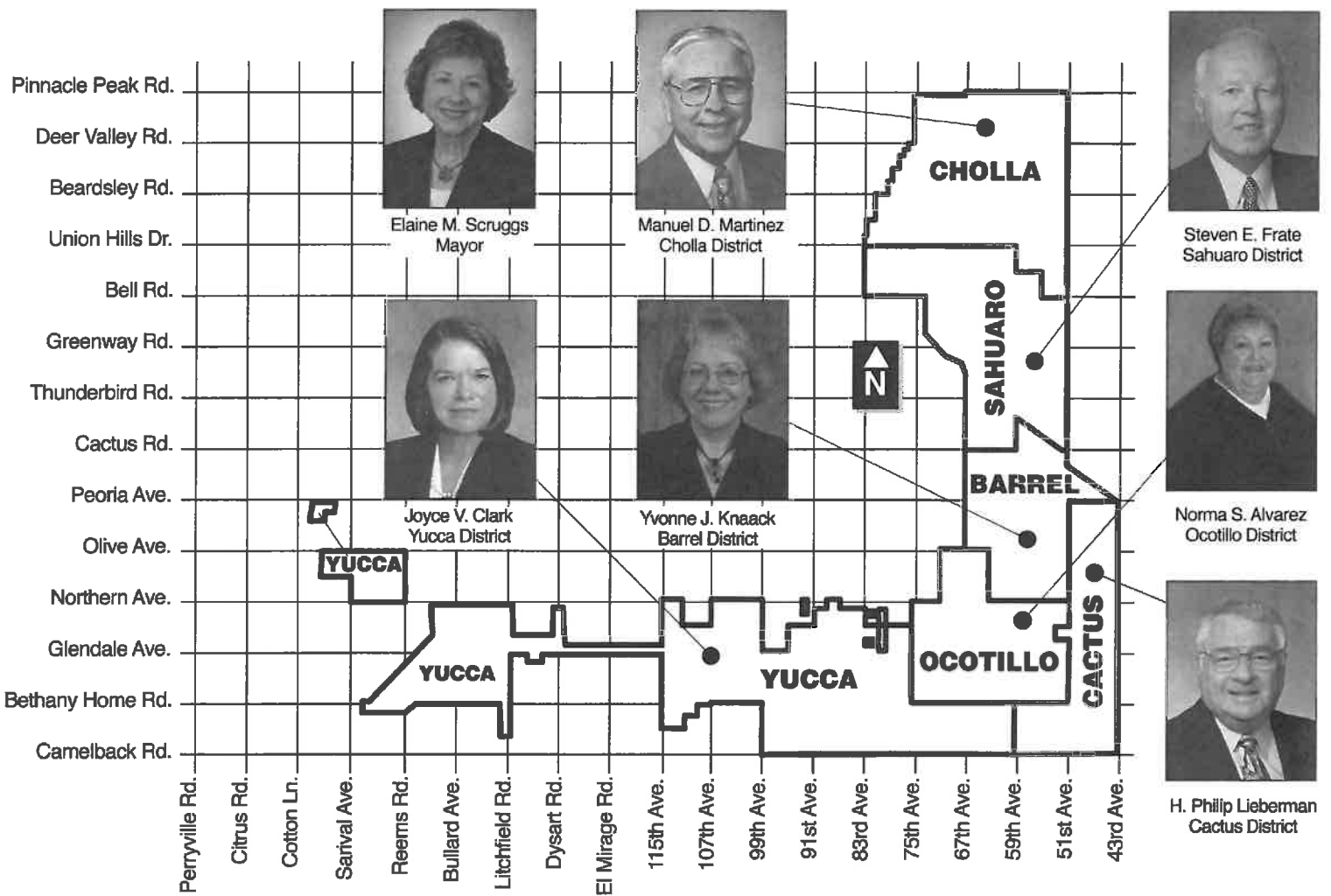
Vice Mayor Steven E. Frate - Sahuaro District

## Appointed City Staff

Ed Beasley – City Manager  
Craig Tindall – City Attorney  
Pamela Hanna – City Clerk  
Elizabeth Finn – City Judge

# GLENDALE

## Council District Boundaries





**GLENDALE CITY COUNCIL WORKSHOP SESSION**  
**Council Chambers – Workshop Room**  
**5850 West Glendale Avenue**  
**January 18, 2011**  
**1:30 p.m.**

**WORKSHOP SESSION**

1. [\*\*FY 2011 GENERAL FUND OPERATING BUDGET UPDATE AND FY 2012 GENERAL FUND OPERATING BUDGET STRATEGY\*\*](#) – 30 MINUTES

**CITY MANAGER'S REPORT**

**This report allows the City Manager to update the City Council about issues raised by the public during Business from the Floor at previous Council meetings or to provide Council with a response to inquiries raised at previous meetings by Council members. The City Council may only acknowledge the contents to this report and is prohibited by state law from discussing or acting on any of the items presented by the City Manager since they are not itemized on the Council Workshop Agenda.**

**EXECUTIVE SESSION**

1. LEGAL MATTERS
  - A. The City Council will meet with the City Attorney for legal advice, discussion and consultation regarding the city's position in pending and contemplated litigation, including settlement discussions conducted in order to avoid or resolve litigation. (A.R.S. § 38-431.03 (A)(3)(4))
2. LEGAL MATTERS – PROPERTY & CONTRACTS
  - A. Discussion and consultation with the City Attorney and City Manager to receive an update, consider its position and provide instruction and direction to the City Attorney and City Manager regarding parking agreements relating to Westgate, which are the subject of negotiations. (A.R.S. § 38-431.03 (A)(3)(4))

**Upon a public majority vote of a quorum of the City Council, the Council may hold an executive session, which will not be open to the public, regarding any item listed on the agenda but only for the following purposes:**

- (i) discussion or consideration of personnel matters (A.R.S. §38-431.03 (A)(1));**
- (ii) discussion or consideration of records exempt by law from public inspection (A.R.S. §38-431.03 (A)(2));**
- (iii) discussion or consultation for legal advice with the city's attorneys (A.R.S. §38-431.03 (A)(3));**
- (iv) discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid or resolve litigation (A.R.S. §38-431.03 (A)(4));**
- (v) discussion or consultation with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations with employee organizations (A.R.S. §38-431.03 (A)(5)); or**
- (vi) discussing or consulting with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. §38-431.03 (A)(7)).**

**Confidentiality Requirements Pursuant to A.R.S. §38-431.03 (C)(D): Any person receiving executive session information pursuant to A.R.S. §38-431.02 shall not disclose that information except to the Attorney General or County Attorney by agreement of the City Council, or as otherwise ordered by a court of competent jurisdiction.**



CITY OF GLENDALE

# Council Communication

## Workshop Agenda

01/18/2011

TO: Honorable Mayor and City Council

FROM: Ed Beasley, City Manager

PRESENTED BY: Sherry M. Schurhammer, Management & Budget Director

SUBJECT: **FY 2011 GENERAL FUND OPERATING BUDGET UPDATE AND FY 2012 GENERAL FUND OPERATING BUDGET STRATEGY**

### *Purpose*

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- This is an update for City Council about the economy and the FY 2011 General Fund (GF) operating budget through the first five months. This is also a confirmation of the strategy for balancing the GF operating budget for FY 2012 and beyond as the economy gradually recovers and returns to robust health.

### *Council Strategic Goals or Key Objectives Addressed*

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- Council's strategic goals continue to serve as the foundation for the development of the city's annual budget regardless of whether the economy is growing or contracting. Vision, innovation, partnerships, and dedicated employees continue to play a central role in making the city's efforts successful in areas of key importance to the Mayor and Council.

### *Background*

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#### **Economic Update**

- According to a September 2010 announcement from the National Bureau of Economic Research (NBER), the recession officially ended in June 2009, 18 months after it began in December 2007.
- The NBER defines a recession as "a significant decline in economic activity spread across the economy, lasting more than a few months, normally visible in real gross domestic product, real income, employment, industrial production, and wholesale-retail sales." According to the NBER, the end of the recession is defined as "the end of the declining phase and the start of the rising phase of the economic cycle."

- NBER is the nation's leading private, nonprofit, nonpartisan research organization dedicated to economic research and has been operating since 1920. It has been under contract with the U. S. Department of Commerce for many decades and is well-known for providing start and end dates for recessions in the United States.
- The consensus among experts on the Arizona economy such as Elliott Pollack, Marshall Vest (University of Arizona), and Lee McPheters (Arizona State University) is that the worst of the recession's impact is past us although the return to normal and healthy economic growth will take time.
- Recovery is expected to be gradual and occur over an extended period of time. It is important to recognize that economic recoveries frequently are marked by occasional unevenness, with stretches of growth sporadically interrupted by elements of decline, although the long-term trend is toward growth and a return to normal economic capacity. Further, significant improvement in the unemployment rate is a lagging indicator so economic experts expect that measure to decline slowly over a longer period of time.
- According to the Arizona experts on the economy, recovery across the state relies on business growth, business investment and population growth, the traditional drivers of economic growth in Arizona, as well as a clearing of the excess inventory of vacant homes.

### **Budget Strategy**

- Given that economic recovery is expected to occur gradually over time, the budget strategy that was presented to Council as part of the FY 2011 GF operating budget remains in place. This strategy will take us through the next few fiscal years as the economy strengthens until we see sustained growth in retail sales, income taxes and other critical revenue sources. Further, this strategy was affirmed by the public through a series of extensive public meetings that occurred last spring.
- The budget strategy is built around a strategic, business-based and phased approach. This strategy sustains core city services that serve the community, as defined by Council, ensures the smooth operation of the overall organization and minimizes, to the extent possible, impacting other services provided to the community.
- One element of this budget strategy is the city's Innovate Initiative. This initiative is directly tied to the budget process and the city's strategic business model. Employees have been, and continue to be, actively engaged in making business-based recommendations for adjustments that help us prepare a balanced budget. Some adjustments will result in expenditure savings while others, through changes in process or structure, result in efficiencies not currently captured. Yet other adjustments will result in new or improved revenue streams for the GF.
- While this budget strategy is designed to adapt operations to constrained resources, it also positions the city to be ready for the time when the economy is fully recovered.

- Other steps have positioned Glendale to be more successful than other cities. These measures include the cooperative efforts we have witnessed across the Glendale organization such as voluntary employee efforts and other innovative expenditure management measures. Glendale was the only valley city to adopt this approach in FY 2010, including adjustments to represented labor agreements. Additional expenditure management measures include the following:
  - Programs that were not paying for themselves or achieving targeted contribution rates were eliminated or reduced;
  - Services for which demand had diminished, or future demand was not anticipated, were eliminated;
  - Hours of operations for some facilities were adjusted to better match demand for service;
  - Activities offered by other organizations in the community were eliminated; and
  - Vacancies have been and continue to be carefully evaluated to determine if they must be filled.
- Revenue enhancements also have been pursued such as new agreements for electronic marquee signs and revised agreements for the placement of cell phone towers on city property. Additional examples of revenue enhancements include the following:
  - Implementation of Fire Department inspection fees, premium parking fees for downtown special events and transaction fees for pawn shops and second-hand stores; and
  - Implementation of a tax amnesty program that resulted in an additional \$1.3 million in revenue with 618 taxpayers participating.
- In addition, Glendale has remained at the forefront in bringing high quality economic development to the city. In FY 2010, the City's efforts resulted in 1,776 jobs (includes both new jobs and the expansion/retention of jobs). Through the first half of FY 2011 the City's efforts resulted in an additional 710 jobs (includes both new jobs and the expansion/retention of jobs).
- It is important to recognize that a municipality is a service organization. Therefore, continuation of the phased budget strategy is appropriate as it takes us through a series of steps that are designed to attain a fiscally responsible budget while not severely diminishing the valuable services we provide to the community.
- The outlook for FY 2012 requires continuation of the realignment of resources based on the business needs of the community and the level of resources we can afford. This means we must continue to adjust our delivery system to match the peak demand times for services. We are also continuing the review of the useful life of all equipment and capital assets by extending their service life as long as efficiency of service delivery would not be affected.

The intent of these steps is to sustain the city's core services that serve the community and ensure smooth operation of the overall organization while we continue to strategically manage our way through this current economic downturn.

- The long-term outlook requires continuation of strategic investments in business delivery systems and realignment of functions that enable us to be responsive when the economy fully recovers. Some strategic investments that have started and will continue include the following:
  - Upgrade of the city's tax and license technology system that will reduce manual processing of tax and license filings, simplify and shorten transaction times for customers, improve the turnaround time for management reporting and improve revenue recovery efforts. The new system is expected to be in operation during the spring of 2011.
  - Realignment of functions within the city to reposition programs based on the needs of the community and based on the recognition that some programs will continue to be provided by non-profits and/or the private sector.

### *Previous Council/Staff Actions*

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- The first quarter report on the FY 2011 GF operating budget was presented to Council at the November 16, 2010 workshop.

### *Community Benefit*

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- Glendale's budget is an important financial, planning and public communication tool. It gives residents and businesses a clear and concrete view of the city's direction for public services, operations and capital facilities and equipment. It also provides the community with a better understanding of the city's ongoing needs for stable revenue sources to fund public services, ongoing operations and capital facilities and equipment.
- The budget provides Council, residents and businesses with a means to evaluate the city's financial stability.

### *Public Input*

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- The budget strategy was presented to the public through community-wide public meetings on the proposed program and service adjustments for FY 2011. These meetings occurred on March 3, 4, and 8, 2010. A document summarizing the proposed program and service adjustments was posted publicly in advance of the meetings.
- The public also was given the opportunity to provide feedback on the proposed program and service adjustments through the city's website and a telephone hotline, both of which were

available through the close of business on March 11, 2010. A total of 200 responses were received plus 52 citizens spoke at the public meetings. Overall, the public affirmed the budget strategy.

- All budget workshops are open to the public and are posted publicly according to state statutes.

## *Policy Guidance*

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Today's workshop is for information only. Decisions on the FY 2012 budget will not be requested until the budget workshops are held in March and April 2011.