

***PLEASE NOTE: Since the Glendale City Council does not take formal action at the Workshops, Workshop minutes are not approved by the City Council.**



**MINUTES OF THE
GLENDALE CITY COUNCIL WORKSHOP SESSION
Council Chambers – Workshop Room
5850 West Glendale Avenue
September 15, 2009
1:30 p.m.**

PRESENT: Mayor Elaine M. Scruggs, Vice Mayor Manuel D. Martinez, and Councilmember's Joyce V. Clark, Steven E. Frate, David M. Goulet, Yvonne J. Knaack, and H. Phillip Lieberman

ALSO PRESENT: Ed Beasley, City Manager; Pam Kavanaugh, Assistant City Manager; Nick DiPiazza, Assistant City Attorney; and Pamela Hanna, City Clerk

WORKSHOP SESSION

1. **FY 2008-09 FOURTH QUARTER & FULL YEAR GENERAL FUND STATUS REPORT ON REVENUES & EXPENDITURES – 30 MINUTES**

CITY STAFF PRESENTING THIS ITEM: Horatio Skeete, Deputy City Manager and Sherry Schurhammer, Management and Budget Director

This is a request for City Council to review the FY 2008-09 fourth quarter and full year report on General Fund (GF) revenues and expenditures. The fourth quarter includes the months of April, May and June of 2009 for the fiscal year that just ended. In addition, a summary of legislation being considered by the State Legislature with potential budget impacts for Glendale is also included.

The FY 2008-09 GF fourth quarter and full year report is consistent with the Council's goal of ensuring the city's financial stability by conducting timely reviews of expenditures and revenues.

FY 2008-09 Fourth Quarter and Full Year Report

- In response to Council requests, staff committed to providing quarterly reports on the GF beginning with FY 2003-04.
- The bottom line for the GF through the fourth quarter of FY 2008-09 is as follows:
 - GF revenues are \$21.7 million or (11.7%) below budget and
 - GF expenditures are \$22.3 million or (11.8%) below budget.
- In the following table, the revenue budget and actuals for the fiscal year ending June 30, 2009 are shown (in 000s).

Comparison of YTD Budget to Actuals, FY 2008-09 (in 000s)

	FY 2008-09 YTD Budget	FY 2008-09 YTD Actuals	Percent Over (Under) Budget
City Sales Tax	\$64,894	\$51,613	(20.5%)
State Income Tax	\$34,688	\$36,267	4.6%
State Sales Tax	\$23,500	\$19,321	(17.8%)
State MV In-Lieu	\$10,043	\$8,808	(12.3%)
HURF	\$17,616	\$14,582	(17.2%)
Primary Prop Tax	\$4,085	\$4,011	(1.8%)
All Other	\$30,287	\$28,845	(4.8%)
Total	\$185,113	\$163,447	(11.7%)

- GF revenue receipts through the fourth quarter of FY 2008-09 are about \$21.7 million (11.7%) under budget.
- City sales tax collections are \$51.6 million. This amount is approximately \$13.3 million (20.5%) under budget.
- State-shared revenue collections are \$64.4 million. This amount is approximately \$3.8 million (5.6%) under budget. The three components of state-shared revenue are shown below:

- State income tax receipts are \$1.6 million (4.6%) higher than expected through the fourth quarter of FY 2008-09;
- State sales tax receipts are \$4.2 million (17.8%) less than expected; and
- Motor vehicle in-lieu receipts are \$1.2 million (12.3%) less than expected. Approximately 20% of the total revenues collected for the licensing of vehicles are distributed to incorporated cities and towns. The amount distributed is based on an incorporated city's population in relation to the total incorporated population of the county
- HURF revenues are commonly called the gas tax even though there are several other transportation-related fees that comprise this revenue source. Much of this revenue source is based on the volume of fuel sold rather than the price of fuel. HURF receipts are \$3 million (17.2%) under budget. The decrease is directly attributable to the state's reallocation of about \$85 million in HURF revenues to the Department of Public Safety.
- The All Other category is \$1.4 million (4.8%) under budget. This decrease is due primarily to the development services fees coming in lower than expected.
- The following is a table that reflects the revenue to budget comparison for only the fourth quarter (April - June) of FY 2008-09. It shows that the FY 2008-09 collections for only the fourth quarter are about \$6.3 million or 13.7% under budget.

**Comparison of 4th Quarter Only
Budget to Actuals FY 2008-09
(in 000s)**

	FY 2008-09 4th Qtr Budget	FY 2008-09 4th Qtr Actuals	Percent Over (Under) Budget
City Sales Tax	\$16,233	\$11,655	(28.2%)
State Income Tax	\$8,672	\$9,066	4.5%
State Sales Tax	\$5,875	\$4,264	(27.4%)
State MV In-Lieu	\$2,511	\$2,275	(9.4%)
HURF	\$4,404	\$3,873	(12.1%)
Primary Prop Tax	\$1,021	\$1,505	47.4%
All Other	\$7,562	\$7,298	(3.5%)
Total	\$46,278	\$39,936	(13.7%)

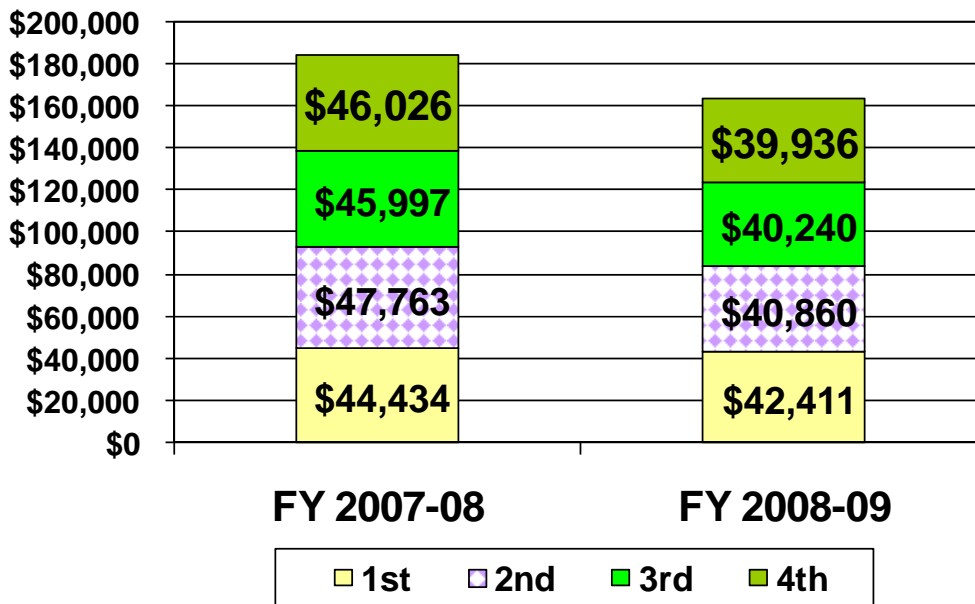
- In the following table, the revenue actuals for all four quarters (July - June) of FY 2007-08 and FY 2008-09 are shown. This comparison shows that revenues are \$20.8 million or 11.3% less than the same time period last year.

**Comparison of YTD
FY 2007-08 to FY 2008-09 Actuals
(in 000s)**

	FY 2007-08 YTD Actuals	FY 2008-09 YTD Actuals	Percent Change From FY 2007-08
City Sales Tax	\$61,306	\$51,613	(15.8%)
State Income Tax	\$34,109	\$36,267	6.3%
State Sales Tax	\$22,237	\$19,321	(13.1%)
State MV In-Lieu	\$9,730	\$8,808	(9.5%)
HURF	\$16,694	\$14,582	(12.7%)
Primary Prop Tax	\$3,908	\$4,011	2.6%
All Other	\$36,236	\$28,845	(20.4%)
Total	\$184,220	\$163,447	(11.3%)

- City sales tax collections are \$51.6 million, or about \$9.7 million or 15.8% less than the FY 2007-08 city sales tax receipts of \$61.3 million.
- State-shared revenue collections are \$64.4 million, \$1.7 million (2.5%) less than the \$66.1 million collected through the fourth quarter of last FY.
 - State income tax receipts of about \$36.3 million are \$2.2 million or 6.3% more than FY 2007-08 collections;
 - State sales tax receipts are about \$2.9 million or 13.1% less than FY 2007-08 collections last year; and
 - Motor vehicle in-lieu receipts are about \$922,000 or 9.5% less than FY 2007-08 collections for the same time period.
- HURF revenues are about \$2.1 million or 12.7% less than FY 2007-08 revenues.
- Property tax revenue is \$103,000 or 2.6% more than the FY2007-08 revenues.
- The All Other category collections are \$7.4 million or 20.4% less than FY 2007-08 collections.
- The following chart reflects the year-to-year comparison for revenue collections, but by quarter rather than as a total.

Actual Revenues (Qtr by Qtr)



- The FY 2008-09 budget expenditures and actuals for the GF operating and pay-as-you-go (PAYGO) capital expenditures are shown in the following table.

Comparison of Budget to Actuals - FY 2008-09

	FY 2008-09 YTD Budget	FY 2008-09 YTD Actuals	Amount Under/(Over) Budget
GF Salaries/Benefits	\$124,695	\$117,298	\$7,397
GF Non-Personnel	\$54,172	\$43,818	\$10,354
GF Debt Svc (leases)	\$2,797	\$2,176	\$621
PAYGO Capital	\$6,729	\$2,836	\$3,893
TOTAL	\$188,393	\$166,128	\$22,265

- Overall, the year ended with actual expenditures of \$22.3 million or 11.8% less than the amount budgeted.

Fourth Quarter Designated Sales Tax Receipts

- At the end of the fourth quarter, the transportation sales tax budget to actuals comparison, as well as last FY's fourth quarter actuals, are the following:

**Transportation Sales Tax
FY 2008-09 Comparison of YTD - Budget to Actuals (in 000s)**

	FY 2008-09 Budget	FY 2008-09 Actuals	Percent Over/(Under) Budget
Transp. Sales Tax	\$24,852	\$20,875	(16%)

- The FY 2008-09 fourth quarter transportation sales tax revenues are \$4 million (16%) less than the fourth quarter budget.
- At the end of the fourth quarter, the public safety sales tax receipts were the following:

**Public Safety Sales Tax
FY 2008-09 Comparison of YTD - Budget to Actuals (in 000s)**

	FY 2008-09 Budget	FY 2008-09 Actuals	Percent Over/(Under) Budget
Police Sales Tax	\$15,917	\$12,573	(21%)
Fire Sales Tax	\$7,865	\$6,228	(21%)

- For FY 2008-09, the police component of the public safety sales tax was \$3.3 million (21%) less than the budget.
- For the FY 2008-09, the fire component of the public safety sales tax was \$1.6 million (21%) less than the budget.
- The designated sales tax receipts are not included in the GF city sales tax figure provided in the prior section of this report.
- The financial information included in this report is preliminary; the final, audited figures will be published in the FY 2009 Comprehensive Annual Financial Report later this fall.

State Budget Impacts

- During the first week of September Governor Jan Brewer vetoed some budget bills and signed others that the AZ State Legislature sent to her. Below is a summary of those budget bills that are of interest to cities and towns.
 - **Vetoed Budget Bill Items**
 - Reduction of vehicle license tax revenue distributed to cities and towns. .
 - Reduction of the property tax assessment ratio for businesses from the current rate of 22% to a lower rate of 16% in FY 2011-12.
 - **Passed Budget Bill Items**

- A freeze on increases to existing development impact fees (DIF) and construction sales tax rates for two years beginning June 30, 2009. These provisions have no impact on Glendale's FY 2009-10 budget because no changes to the city's current DIFs and construction sale tax were assumed.
- State income tax and state sales tax distributions for FY 2009-10 were not affected by the state budget bills.

The third quarter GF report for FY 2008-09 was presented to council on May 19, 2009.

The second quarter GF report for FY 2008-09 was presented to council on February 13, 2009.

The first quarter GF report for FY 2008-09 was presented to council on October 21, 2008.

This is a status report on the General Fund covering the fourth quarter of FY 2008-09. No Council guidance is requested on this report.

Ms. Pam Kavanaugh, Assistant City Manager, introduced the item. She stated they were presenting the wrap-up for the twelve months of FY 2009. She indicated the presentation will also address questions about the impact on Glendale of the state's recent budget legislation. She thanked staff for their efforts made during this past year. She explained that a plan was created to address the expected revenue shortfall in FY 2009 and the plan worked because revenues and expenditures were very closely monitored with adjustments made as needed. As a result, the amount of savings generated was more than expected.

Mr. Horatio Skeete, Deputy City Manager for Administrative Services, and Sherry Schurhammer, Management and Budget Director, summarized the report and provided a slide presentation. Mr. Skeete said there are signs of the economy stabilizing and indications nationwide that the recession is bottoming out. For example, there are signs that job losses are tapering off nationwide and of improvements in the housing market. He explained how Arizona was hit harder because of the state's tourism and expansion character. He suspects it will take Arizona a bit longer to recover.

Ms. Schurhammer continued the slide presentation. She indicated that the state budget bills had no impact on the city's current fiscal year operating and capital budgets. For example, the state budget bill did not include any changes to the distribution formulas for state shared revenue. The state budget bill also did not include lowering the business property assessment ratio, a measure that would have impacted the capital budget if it had passed.

Ms. Schurhammer said the general fund (GF) revenue and expenditure budget for the current fiscal year, FY 2010, is attainable for two primary reasons. One, the current fiscal year's revenue budget is \$1.1M less than the amount collected last fiscal year when the nation was experiencing a significant economic decline. The second reason for believing the FY 2010 GF budget is attainable is the fact that the expenditure balancing measures discussed during last spring's budget workshops were built into the adopted budget. Given the success we had last FY in managing expenditures; she said she believes this FY's GF expenditure budget is attainable.

Ms. Schurhammer then discussed how other cities were fairing compared to Glendale. She said the recent newspaper article about the budget problems the City of Phoenix must address are the result of Phoenix counting on revenue growth over last FY's collections. She noted that Phoenix' GF revenue budget assumed 7% growth over last FY's collections in its city and state sales taxes

while Glendale assumed no growth overall. As a result, Glendale was in a better situation than Phoenix.

Ms Schurhammer continued by discussing the budget plan for the rest of the current FY. She said the first quarter results will be presented in November, as has been done in the past, with the second quarter report coming to council in February. Then the budget process for FY 2011 will occur in March and April, in line with the process followed in the past. Ms. Schurhammer recommended following the process used in the past noting that the spring workshops will provide the time to assess the steps needed for FY 2011. She said the most current information is needed to assess the outlook for FY 2011 and much of that information will not be available until December, January and February. In closing, she noted the city met last FY's plan to generate savings to address the revenue shortfall; the current FY's budget plan is reasonable and attainable, and the city has a proven process in place to address the FY 2011 budget.

Councilmember Clark asked what the speakers meant when they said they saw signs of stabilization in the economy. Mr. Skeete said the decline in sales tax revenue has stopped and collections have held steady for a couple of months and this is a sign that the economy has hit bottom. He also said the number of new unemployment claims has dropped. Mr. Skeete also explained that a budget plan for FY 2010 that was implemented reflects a very conservative approach. He also said that ongoing monitoring of revenues and expenditures will continue with adjustments occurring throughout the year if revenue projections are not being met. He added that if the economy stays at the same rate and remains predictable, they can achieve the revenues projected as they have shown they have done. He believes the city is in a stable position, barring any major economic shocks, and he believes the city will meet the revenue budget for the current FY.

Councilmember Lieberman asked how many positions were open or unfilled. He stated his concerns that the economy has not yet bottomed out. Ms. Schurhammer said the city currently had just over 200 positions open and of that number, 88 were in the general fund. . Councilmember Lieberman thanked staff for their outstanding job in keeping the city's expenditures down.

Councilmember Knaack remarked that they had balanced the budget with one-time savings. She asked how they were going to make those savings up. Ms. Schurhammer explained that the one-time savings that were being counted on for this fiscal year were built into the operating budget.

Councilmember Clark asked for additional information about balancing the budget for the current fiscal year. She also expressed concern about the future since one time funds and etc. had been expended. Mr. Skeete reiterated that the budget process is very fluid which means management will continue to monitor closely revenues and expenditures, as was done last FY, and to make adjustments as needed. He said departments will continue to be asked to look for ways to save and manage their respective budget throughout the course of the year, as well as revisit measures that were successful. He noted they were aware of the fact that FY 2011 will require savings measures and alternatives would be evaluated over the course of the next several months.

Councilmember Clark said her concern was the city could only go to the same well so many times before there's no water left in the well. She asked how much was being cut from direct services to the citizens from this budget cycle. Mr. Ed Beasley, City Manager, explained the slide that showed a calendar for further discussions about budget related issues and noted that the budget process provides time to collect information and develop and evaluate options. He

reiterated how they will be monitoring the situation closely for the current fiscal year and will make adjustments as needed, as was done last FY. He said it is important to ensure the process for development of the FY 2011 budget is transparent and informative. Councilmember Clark stated she would like any proposed service reductions to be known to the public prior to the time when council has to make a decision. Mr. Beasley indicated that was part of the normal budget process followed in prior FYs and that the same process, which is open and communicative to the public and council, would be followed for the development of the FY 2011 budget. He noted it should be recognized that reductions may be necessary but, as has been done in the past, there is a budget process that will provide information in advance and then be discussed at budget workshops.

Mayor Scruggs remarked on her level of concern upon realizing one-time savings that came out of areas such as the Arts Commission fund was now at a zero balance. She explained that they will not be able to have those areas to dip into again. She indicated she would like to discuss at some point the charge backs to the enterprise fund. She noted that basic services were really in the enterprise fund. She asked for clarification on the 88 general fund position vacancies. She stated that by her calculations, 112 vacant positions were in police, fire, water and sanitation. She said she would like to focus on police and fire vacancies. She would also like to know, if a police officer retires out of the general fund, will they be replaced from the general fund or the public safety tax fund?

Ms. Schurhammer addressed the Mayor's questions. She said the arts fund transfer was a one-time measure for FY 2010 that ensured arts fund monies would remain available for committed projects. She also explained the enterprise fund charge back issues by saying the enterprise funds pay the GF for services the GF departments provide to the enterprise funds. On the vacancies issue, there are just over 200 vacancies citywide, with 88 of them in the GF. She noted that about a dozen additional GF positions are vacant but are being recruited to fill because they are sworn positions in police and fire. The remaining positions are in other funds such as the enterprise funds and the designated sales tax funds. In response to the Mayor's question about vacant sworn positions in the GF, Ms. Schurhammer said GF positions in public safety are not moved into the public safety sales tax funds when they become vacant.

Mayor Scruggs asked to discuss the transportation sales tax fund, which was extremely important to the growth of the city. She inquired if staff had any plans to examine the transportation sales tax fund for policy direction in usage of the money. She believes there was a tremendous amount of money going into savings for projects that may be a decade down the road. She would like to discuss how that money is allocated and how it could be used at this time for important transportation needs that can add to the economic vitality of the city. Mr. Beasley agreed it should be an issue discussed as part of the budget process.

Vice Mayor Martinez inquired if they were able to move funds for light rail out of the transportation sales tax for other projects. Mr. Skeete explained that up to 50% of transportation sales tax money was earmarked for capital projects. He said the 25-year plan includes projects such as light rail but funds are not being set aside now for those projects many years out. He added that the 25-year plan is a balanced program that calls for funds when those projects come due. Vice Mayor Martinez asked where the money will come from once that project comes on-line. Mr. Jamsheed Mehta, Transportation Director stated that light rail has been programmed into the 25 year program. They do not have to spend any current revenue on this project until the time comes to place that project on-line. He reported their analysis states the earliest they will precede with light rail would be in 2019 or 2020. The money associated with each mile would be approximately \$75 million, which will be shared with other avenues.

Councilmember Clark remarked it was her understanding that under the transportation sales tax, there were a number of goals presented to the voters, which they approved. However, there had been no timing associated with the attainment of those goals. Mr. Mehta explained that she was partially correct. Some of the goals were identified as being completed in five or six years. He noted some projects have been moved to the out years as staff has realized newer priorities that were not known at the time Proposition 102 was first approved in 2001. Councilmember Clark indicated she would like to have a review of the ballot information and the other materials provided to voters at the time of the election. She believes there might be some legal restraints regarding what was promised to the voters and what has been accomplished. She asked if the city would find itself in any legal jeopardy if they did not do what the voters approved. Mr. Nick DiPiazza, Assistant City Attorney, responded that they will be looking into the matter. Councilmember Clark asked to have the answers by the time they discuss the transportation tax issue.

Mayor Scruggs remarked that Mr. Di Piazza's comment regarding reprioritizing some projects while pushing back others really concerned her. She questioned the legality. Mr. DiPiazza explained they would look for any potential legal issues. Mayor Scruggs said she understands that what has been done in the past with the transportation sales tax was acceptable; however, she could not understand why rearranging projects in the future might not be. Mr. DiPiazza stated they will be looking at the legality of those options before any future steps are taken. Mr. Beasley interjected explaining that as part of the analysis, the legal department examines any issue before taking action. He noted everything that has been done has been legal, however, priorities change and they will continue to change. Mr. DiPiazza remarked stating all steps taken thus far have been absolutely legal. He clarified that the legal department will always look at future options and provides legal advice.

Mayor Scruggs suggested the Council have a policy discussion with the opportunity to look at projects and see how they are prioritized to maximize their use of transportation dollars for economic development. She would like to see if they could rearrange items so they could have an opportunity to compete for economic development opportunities in the city. Mr. Mehta commented that CTOC annually approves a balanced 25 year program. He said the citizen's committee just recently approved the 25 year balanced program and requested the plan be sent to council. He explained that in the spring, Council will be evaluating the program and will have the opportunity to make changes to the plan. Mayor Scruggs stated she understood the CTOC process and was looking to do something different. She reiterated she would like the council to have the same opportunities the citizen's advisory committee has in the form of an agenda item. She would like to see if the council was in agreement with the recommendations made or would like to explore other opportunities. Mr. Beasley agreed and noted that this information will be available early in the budget discussion.

Councilmember Clark asked for clarification on Westgate infrastructure. She asked if it was bonded along with the development of the arena. Mr. Art Lynch, Deputy City Manager replied, yes. She asked if the city was to be partially reimbursed by ADOT for the Maryland overpass project and other improvements. Mr. Lynch replied yes. Councilmember Clark asked if they typically included infrastructure when bonding a project. Mr. Lynch explained that it was usually done that way but can vary depending on the project. Councilmember Clark asked if any of those bonding projects were associated with CTOC or the transportation safety tax. Mr. Lynch replied no and explained that those were separate issues.

Councilmember Lieberman asked if the \$7 million plus that was under budget in the general fund was the result of money saved by vacancies and open positions. Ms. Schurhammer said yes and noted that the expenditure information in the council communication addressed only the GF.

2. COUNCIL ITEMS OF SPECIAL INTEREST – 30 MINUTES

This is the quarterly opportunity for City Council to identify topics of interest they would like the City Manager to research and assess for placement on a future workshop agenda.

Staff is available to answer any questions regarding information provided. Staff also requests Council to identify items of interest for follow-up by staff during the next quarter.

1. Garage Conversions – Jon Froke, AICP, Planning Director
Pamela Wertz, Deputy Director Building Safety
2. Green Building White Paper – Stuart Kent, Field Operations Director
Doug Kukino, Environmental Resource Director
3. Fighter Country Partnership Sponsorship – Steven Methvin, Assistant to the Mayor
4. Glendale Hall of Fame – Steven Methvin, Assistant to the Mayor
5. City Sales Tax Amnesty Program – Horatio Skeete, Deputy City Manager
6. Business Purchases from local Merchants – Horatio Skeete, Deputy City Manager

Ms. Pam Kavanaugh, Assistant City Manager, introduced the item.

Mayor Scruggs indicated that Councilmember Frate had introduced the first item.

Councilmember Frate remarked he had a few questions for staff. Councilmember Frate stated that according to staff's findings, it was allowable to convert a garage into living space. Additionally, each structure should have one covered parking area. However, he is still aware of many converted garages that never bothered with the covered parking area. He asked for guidance on how to proceed when this was law, but many were not following it.

Councilmember Frate remarked he had a few questions for staff. Councilmember Frate stated that according to staff's findings, it was allowable to convert a garage into living space. Additionally, each structure should have one covered parking area. However, he is still aware of many converted garages that never bothered with the covered parking area. He asked for guidance on how to proceed when this was law, but many were not following it. Mr. Jon Froke, AICP, Planning Director, stated that since 1993, the city's Zoning Ordinance requires that at least one covered parking space be provided per dwelling unit. He explained that to legally convert a garage into living space a property owner is required to obtain the proper approvals and building permits. He noted that Glendale is a big city and they often cannot catch everyone; however, his staff is willing to address any specific instances.

Councilmember Frate asked if there was any legal action that could be taken if someone did not follow the requirements or possibly was it grandfathered in. Mr. Froke stated it depends on the unique situation and a review of planning, code compliance and building safety compliance. Councilmember Frate explained he has called code compliance only to be told they could not prove when it was constructed. He stated it was very frustrating to not find a suitable solution. He encouraged the viewing public to become informed and know the laws and proper procedures in converting a garage. Mr. DiPiazza explained that these cases will be looked at on a case-by-case basis.

Councilmember Goulet asked what would happen if an HOA did not take action in a similar situation. He asked if there was any recourse for a resident verses a situation for a non-HOA circumstance where that happened. Mr. Froke stated the resident could contact his office for an investigation. He noted his office does not enforce HOA issues; however, they do enforce the zoning ordinance where covered parking comes into play.

Mayor Scruggs introduced item 2, submitted by Councilmember Goulet. She explained that since this item had been introduced, Council has directed a Sustainability Committee to be developed. The first meeting was today, attended by Councilmembers, Goulet, Knaack, and Frate. Councilmember Goulet reported that the committee met this morning with a number of city departments. He indicated they were working on an appropriate mission statement and a process to gather input from the committee and various departments. Vice Mayor Martinez thanked staff for the comprehensive and detailed information the Council had received on this item.

Mayor Scruggs introduced item 3, submitted by Councilmember Lieberman. She noted a correction on Council's information sheet on the number of fighter pilots graduated by Luke Air Force Base. She stated the base graduates more than 350 fighter pilots a year. Councilmember Lieberman stated he agrees with the information provided; however, does not see the sponsorship level and how much it would cost Glendale to participate. He asked if the city would like to become a member and finds it embarrassing they were not yet.

Vice Mayor Martinez asked if Councilmembers were allowed to use city funds for these types of memberships. Mr. DiPiazza indicated there might be a question regarding funding membership for an individual in a private organization. He would be happy to look into it. Vice Mayor Martinez remarked that even if they do not have a membership, the city contributes \$65,000 a year for lobbying, as well as \$55,000 dollars for safety during Luke Days. He believes the city more than contributes their share. Mr. Steven Methvin, Assistant to the Mayor, added they have also been working in partnership with Luke Air Force Base for six months on the development of a support program on the base. He stated he will forward any new information, as well as the new support program to Councilmember Lieberman.

Mayor Scruggs introduced item 4, submitted by Councilmember Goulet. Councilmember Goulet explained that his suggestion of a Hall of Fame could be used next year to tie in with the centennial celebration. This is in consideration of the budget situation. He indicated that this would be a way of acknowledging people and businesses in what they have accomplished in the last hundred years. He stated this could be a way for people to get a better understanding of the history of the community. He liked the idea staff had of including it on the internet. Councilmember Knaack remarked that she liked the idea and believes it could be done inexpensively.

Vice Mayor Martinez respectfully disagreed with the Hall of Fame suggestion. He stated these types of things tend to get political. He explained even if you try to choose some impartial committee, it becomes impossible to satisfy everyone. He noted if there was a way to recognize individuals in some form he would be for it; however, not for a Hall of Fame. Councilmember Knaack agreed it could become very political, however, believes anyone in the Hall of Fame should be historical and only for the centennial. Mayor Scruggs commented on a phenomenal new Glendale history book and video. Vice Mayor Martinez stated he will support it only as a centennial project. Councilmember Clark commented that there were already things being

worked on in conjunction with the centennial. She believes marketing had already taken that idea and was working on it.

Mayor Scruggs stated they recognize the efforts now being done by the marketing department and believes they were satisfying the requirements on this item. She asked that marketing continue their effort by recognizing the people and businesses that contributed to Glendale and perhaps amplifying it.

Mayor Scruggs introduced item 5, submitted by Vice Mayor Martinez. Vice Mayor Martinez stated staff had done a great job reporting on this item. Staff indicates that although additional planning and research is needed, a sales tax amnesty program could be offered in the city with the focus on unlicensed businesses, which will include landlords renting properties that are not licensed. He asked for Council to support this item and direct staff to move forward on this issue. Mayor Scruggs commented that staff recommends the amnesty program be offered in conjunction with the implementation of the new sales tax system. Vice Mayor Martinez was in agreement. Councilmember Clark stated her support and added that any new people under the license umbrella would be welcome. Councilmember Knaack stated her support as long as it was a program with a maximum of 45 days, as recommended. Mayor Scruggs directed staff to proceed with the amnesty program as recommended by staff.

Mayor Scruggs introduced item 6, submitted by Councilmember Lieberman. Councilmember Lieberman explained he had received several complaints on this matter. He stated it was important for businesses to purchase from local merchants. He suggested giving 10% off for local use, as well as creating a program to position local merchants on equal footing with national purchases and bidding. Mayor Scruggs commented on the detailed information provided by staff on the many procedures used to help Glendale's businesses. She asked if anyone would like to add measures beyond what staff had outlined. Mayor Scruggs remarked that legally, Glendale cannot give preference to local business for their purchases. Councilmember Lieberman suggested the city educate local businesses on how they could do more business within the city. Mayor Scruggs explained there was already a how-to booklet, as well as e-mails sent out to prospective businesses. Mr. Horatio Skeete, Deputy City Manager, noted that the handbook was available on-line and upon request. Mayor Scruggs asked how the public could learn about this information. Mr. Skeete explained that they meet with the Chamber of Commerce on a regular basis and provide update information. Mayor Scruggs remarked that she believes the city was making this information very available; however, Councilmember Lieberman would like something sent directly to the business owners. Ms. Pam Kavanaugh, Assistant City Manager, stated they could include an e-mail address at the bottom of a bill. Councilmember Lieberman noted there were some merchants not on the internet.

Vice Mayor Martinez commented on the non-preference issue and how the city legally could not play favorites. However, last fiscal year, the city purchased approximately \$4.6 million in goods and services from Glendale businesses and an additional \$2 million was awarded for capital improvements projects to Glendale businesses. Although these are not astronomical numbers, the city does do business with Glendale industries.

Councilmember Clark suggested adding a sentence to the sales tax form stating that if they would like to bid on a city contract, to please visit the website on the bill. Additionally, based on the material provided, it states that the Chamber in conjunction with the city will be expanding the number of workshops offered to small businesses to find out the procedure for bidding on city contracts. She stated they should make large and small businesses aware of the site.

Councilmember Knaack noted that the sales tax bill was already pretty busy and the email address could be easily missed. She added if they were going to do something like this, it would have to be an insert and that meant spending money. Councilmember Lieberman noted that an insert will satisfy this purpose. Mayor Scruggs surmised that everyone agrees the city has enough programs in place to help businesses, however, could use help in getting the information to the public and businesses. The direction for staff is to find ways to get the information out to businesses, preferably without cost. Additionally, should an insert be necessary, staff would bring it back to see if it could be accommodated in the budget.

Mayor Scruggs asked for new items of Council Items of Special Interest.

Councilmember Goulet asked that the Council consider drafting language to prohibit texting while driving. He stated it continues to be a local and national problem. Additionally, legislation has been recommended federally that states be denied up to 25% of funding for transportation projects because of this matter. Other cities in Arizona have done this and he believes it will send a strong message to the community. Mayor Scruggs agreed and asked staff to move forward on this item.

Councilmember Lieberman remarked that his item for review was more of an observation that needed to be heard. He explained he was finding that more and more organizations were having a hard time getting help for their programs or working with Glendale. He cited a few programs that he believes Glendale should have been involved in. He indicated the Glendale Pediatric Brain Tumor Foundation Ride for Kids will be having their project in Mesa, as opposed to in Glendale this year. Glendale was said not to be very helpful or interested in the event. He also cited the Phoenix Rodeo, The Marty Robbins Festival and an opportunity at the airport, all of which the city of Glendale did not want to consider. He also cited an instance when he first talked to the city about an event for the veterans and was ignored. He reiterated his concern that Glendale seems to be chasing away organization from working with the city.

Councilmember Clark remarked on her concern regarding texting. She supports Councilmember Goulet's suggestion. She noted she has recently had many near misses while driving because the other driver was preoccupied with their cell phone. Councilmember Knaack also stated her support on this item. Mayor Scruggs directed staff to move forward on this issue.

As no further business was introduced, Mayor Scruggs adjourned the meeting.

ADJOURNMENT

The meeting was adjourned at 3:20 p.m.