

City of Glendale Council Budget Workshop Agenda

February 4, 2014 – 9:00 a.m.

Welcome!

We are glad you have chosen to attend this meeting. We welcome your interest and encourage you to attend again.

Form of Government

The City of Glendale has a Council-Manager form of government. Policy is set by the elected Council and administered by the Council-appointed City Manager. The Council consists of a Mayor and six Councilmembers. The Mayor is elected every four years by voters city-wide. Councilmembers hold four-year terms with three seats decided every two years. Each of the six Councilmembers represent one of six electoral districts and are elected by the voters of their respective districts (see map on back).

Voting Meetings and Workshop Sessions

Voting meetings are held for Council to take official action. These meetings are held on the second and fourth Tuesday of each month at 6:00 p.m. in the Council Chambers of the Glendale Municipal Office Complex, 5850 West Glendale Avenue. **Workshop sessions** provide Council with an opportunity to hear presentations by staff on topics that may come before Council for official action. These meetings are generally held on the first and third Tuesday of each month at 1:30 p.m. in Room B3 of the Glendale Municipal Office complex.

Special voting meetings and workshop sessions are called for and held as needed.

Executive Sessions

Council may convene to an executive session to receive legal advice, discuss land acquisitions, personnel issues, and appointments to boards and commissions. Executive sessions will be held in Room B3 of the Council Chambers. As provided by state statute, executive sessions are closed to the public.

Regular City Council meetings are telecast live. Repeat broadcasts are telecast the second and fourth week of the month – Wednesday at 2:30 p.m., Thursday at 8:00 a.m., Friday at 8:00 a.m., Saturday at 2:00 p.m., Sunday at 9:00 a.m. and Monday at 1:30 p.m. on Glendale Channel 11.

If you have any questions about the agenda, 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 the City Council Office at (623)930-2249



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 administador del ayuntamiento de Glendale, al (623) 930-2870 un día hábil antes de la fecha de la junta.

Councilmembers

Cactus District – Ian Hugh
Cholla District – Manuel D. Martinez
Ocotillo District – Norma S. Alvarez
Sahuaro District – Gary D. Sherwood
Yucca District – Samuel U. Chavira



MAYOR JERRY P. WEIERS

Vice Mayor Yvonne J. Knaack – Barrel District

Appointed City Staff

Brenda S. Fischer – City Manager
Michael D. Bailey – City Attorney
Pamela Hanna – City Clerk
Elizabeth Finn – City Judge

Meeting Agendas

Generally, paper copies of Council agendas may be obtained after 4:00 p.m. on the Friday before a Council meeting from the City Clerk Department inside Glendale City Hall. Additionally, the agenda and all supporting documents are posted to the city's website, www.glendaleaz.com

Public Rules of Conduct

The presiding officer shall keep control of the meeting and require the speakers and audience to refrain from abusive or profane remarks, disruptive outbursts, applause, protests, or other conduct which disrupts or interferes with the orderly conduct of the business of the meeting. Personal attacks on Councilmembers, city staff, or members of the public are not allowed. It is inappropriate to utilize the public hearing or other agenda item for purposes of making political speeches, including threats of political action. Engaging in such conduct, and failing to cease such conduct upon request of the presiding officer will be grounds for ending a speaker's time at the podium or for removal of any disruptive person from the meeting room, at the direction of the presiding officer.

How to Participate

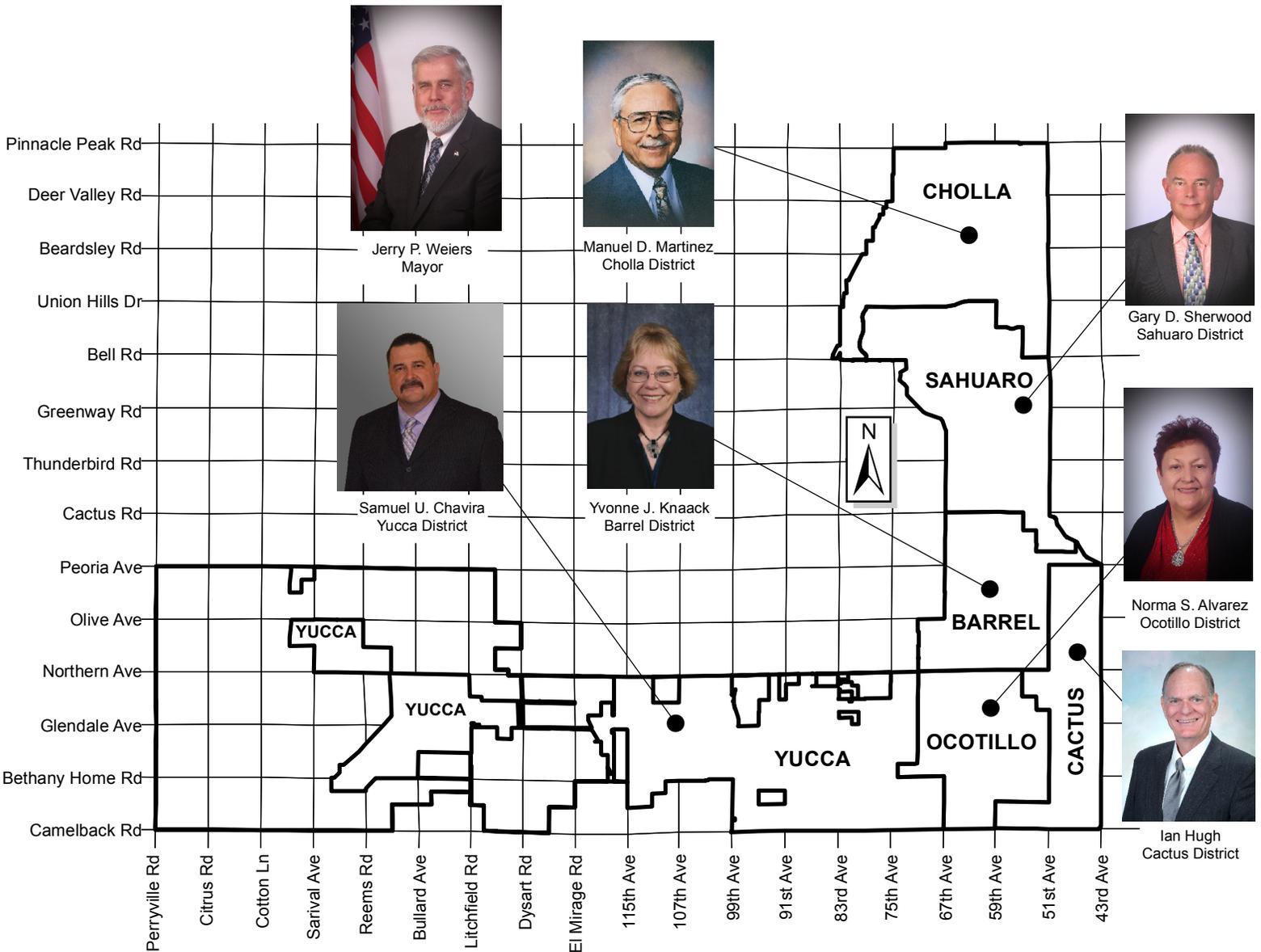
Voting Meeting - The Glendale City Council values citizen comments and input. If you wish to speak on a matter concerning Glendale city government that is not on the printed agenda, please fill out a blue Citizen Comments Card. Public hearings are also held on certain agenda items. If you wish to speak on a particular item listed on the agenda, please fill out a gold Public Hearing Speakers Card. Your name will be called when the Public Hearing on the item has been opened or Citizen Comments portion of the agenda is reached. **Workshop Sessions** - There is no Citizen Comments portion on the workshop agenda.

When speaking at the Podium - Please state your name and the city in which you reside. If you reside in the City of Glendale, please state the Council District you live in.

Regular Workshop meetings are telecast live. 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., Saturday at 2:00 p.m., Sunday at 9:00 a.m. and Monday at 2:00 p.m. on Glendale Channel 11.



Council District Boundaries





GLENDALE CITY COUNCIL BUDGET WORKSHOP SESSION
Council Chambers – Room B3
5850 West Glendale Avenue
February 4, 2014
9:00 a.m.

One or more members of the City Council may be unable to attend the Workshop or Executive Session Meeting in person and may participate telephonically, pursuant to A.R.S. § 38-431(4).

CALL TO ORDER

WORKSHOP SESSION

1. GENERAL FUND BUDGET BALANCING
PRESENTED BY: Tom Duensing, Executive Director, Financial Services

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

Arizona statute precludes any person receiving executive session information from disclosing that information except as allowed by law. A.R.S. § 38-431.03(F). Each violation of this statute is subject to a civil penalty not to exceed \$500, plus court costs and attorneys' fees. This penalty is assessed against the person who violates this statute or who knowingly aids, agrees to aid or attempts to aid another person in violating this article. The city is precluded from expending any public monies to employ or retain legal counsel to provide legal services or representation to the public body or any of its officers in any legal action commenced for violation of the statute unless the City Council takes a legal action at

a properly noticed open meeting to approve of such expenditure prior to incurring any such obligation or indebtedness. A.R.S. § 38-431.07(A)(B).

Items Respectfully Submitted,



Brenda S. Fischer, ICMA-CM
City Manager



BUDGET WORKSHOP COUNCIL REPORT

Meeting Date: **2/4/2014**
Meeting Type: **Workshop**
Title: **GENERAL FUND BUDGET BALANCING**
Staff Contact: **Tom Duensing, Executive Director, Financial Services**

Purpose and Policy Guidance

The purpose of this item is to continue discussions regarding the General Fund budget balancing process. Staff is seeking guidance from Council for short-term and long-term options and potential solutions to reduce and eliminate the projected General Fund structural deficit.

Background

At the December 17, 2013, City Council Workshop, staff presented an updated General Fund Five-Year Financial Forecast which is a necessary part of the annual budget process. A forecast serves two purposes: 1) provides a long-term view of current year budget decisions affecting the City and 2) provides an estimate of the identified structural deficit facing the City over the forecast period.

The forecast identified an annual structural deficit (estimated operating expenditures/contingency in excess of operating revenue) in FY 14-15 through FY 16-17 averaging \$14 million per year. Upon the elimination of the temporary sales tax (FY 17-18), the annual structural deficit averages \$30 million per year.

As indicated on December 17, 2013, staff anticipates that significant measures must be taken over the next two fiscal years. Measures include either revenue enhancements, expenditure reductions, or a combination of the two. Over the past several years, cuts in the General Fund budget have occurred largely without an impact to the service levels; however, with a significant workload increase for remaining staff. Any further significant expenditure reductions of the magnitude outlined in this report would be felt by the public and affect staffing levels.

December 17, 2013, Council consensus was to address the structural deficit utilizing a dual approach: a) implement short-term solutions immediately and b) research/pursue long-term solutions utilizing a strategic approach.

The first Budget Workshop was held on January 21, 2014. At this meeting, staff presented Council with the Budget Workshop calendar; provided an overview of the General Fund structural deficit; and reviewed budget balancing areas, options, and potential solutions. Discussions centered around 1) debt/contractual expenditure restructuring, 2) revenue enhancements, and 3)



BUDGET WORKSHOP COUNCIL REPORT

expenditure reductions. City Council discussed the information presented and gave direction to proceed with the following items:

- A variable interest rate on the inter-fund loans.
- The assumption that the 2 percent primary property tax would increase each year.
- Council is open to further discussions regarding the most recent sales tax increase continuing beyond the 2017 expiration date.
- Develop a list of prioritized services for Council to consider.
- Continue to present revenue enhancement and expenditure reduction opportunities.

Analysis

Staff will continue discussions with budget balancing areas, options, and potential solutions. This is the second in a series of Budget Workshops seeking Council feedback on specific options and potential solutions and their impact on the General Fund structural deficit.

Previous Related Council Action

At the January 21, 2014, City Council Budget Workshop, Council gave direction regarding the inter-fund loan modification, primary property tax allowable levy increase, and assumed extension of the sales tax increase beyond the current expiration date.

At the December 17, 2013, City Council Workshop, the General Fund Five-Year Financial Forecast was presented.

Community Benefit/Public Involvement

Over the past several years, cuts in the General Fund budget have occurred largely without an impact to the service levels. However, staff anticipates that further, significant expenditure reductions of the magnitude outlined in this report would be felt by the public.

Based on feedback received, staff will continue to develop a comprehensive strategy, based on the core mission of the City and Council priorities, to address the deficit using an inclusive approach.

Budget and Financial Impacts

Budget and financial impacts would be based on Council feedback.