



**MINUTES OF THE
GLENDALE CITY COUNCIL WORKSHOP SESSION
Council Chambers – Room B3
5850 West Glendale Avenue
January 21, 2014
1:30 p.m.**

PRESENT: Vice Mayor Yvonne J. Knaack and Councilmembers Norma S. Alvarez, Ian Hugh, Manuel D. Martinez, Gary D. Sherwood, and Samuel U. Chavira

ABSENT: Mayor Jerry P. Weiers

ALSO PRESENT: Brenda Fischer, City Manager; Sam McAllen, Interim Assistant City Manager; Michael Bailey, City Attorney; and Pamela Hanna, City Clerk

CALL TO ORDER

WORKSHOP SESSION

Vice Mayor Knaack announced that the agenda items today would be heard in reverse order.

4. AUTHORIZATION TO AMEND COUNCIL MEETING RULES AND PROCEDURES
PRESENTED BY: Kristen Krey, Council Services Administrator

As per previous Council discussion staff is seeking action from Council to amend the Council Meeting Rules and Procedures to better reflect the direction and philosophy of the Mayor and Council.

Ms. Krey provided a history of moving the citizen comments portion of the meeting from the end of the meeting to the beginning of the meeting.

Councilmember Sherwood said he would like citizen comments moved back to the end of the meeting and he would like to see the time reduced from 5 minutes to 3 minutes. He said City of Phoenix just changed their policy. He said over the last few months there have been occasions where more than an hour of speakers precedes the start of city business. He said they also need to consider the tone it sets for the meeting. He mentioned several

factors behind his reasoning to move the comments back to the end of the meeting and to limit the speaker's time to speak.

Councilmember Alvarez said they are here to serve constituents. She said the public needs to come up and say what they want to say. She said it doesn't bother her if the speakers say something negative. She said the new system has been working fine.

Councilmember Martinez said when this was first brought up, he was against changing it. One of the reasons was because over the past few years, the city has not had much development and has not had many zoning cases or development projects come before the Council. One development project that stands out in his mind that came before Council a few months ago, the case had to wait more than an hour to make their case. He said he kept thinking the clock was ticking on their bill for the attorneys that were present. He said he doesn't think that is right. He said holding the comments at the end of the meeting is not too much to ask for those who wish to speak. He said more projects will be coming forward. He said the projects are businesses and jobs coming in and they don't want to get the reputation that people will have to come down here and wait to make their presentation. He supports moving the public comment period to the end of the meeting.

Councilmember Hugh said moving the start time to 6 p.m. made it even easier for citizens to come down and address the Council. He said he likes it at the front of the meeting as it is more convenient for the citizens. He said more people do seem to want to talk to the Council with the earlier start time and with letting them go first.

Councilmember Chavira said he was in favor of bringing the speakers back to the end of the meeting. He said it keeps Glendale in line with the other cities.

Councilmember Alvarez disagreed and said they work for the taxpayers. She said the developers and attorneys get paid. They need to make it convenient for the taxpayers and not for anyone else, including the Councilmembers. She said they are doing an injustice to the taxpayers and it will reflect later on if they want to get reelected.

Ms. Krey discussed a survey done by the other cities. She said out of the 43 cities surveyed, 42 of them do have a public comments section. She said 23 cities have public comments at the beginning of the meeting and 11 have the public comments at the end of the meeting. She said 6 cities have public comments at both the beginning and end of the meetings. She said 2 cities have their comments in the middle of the meeting.

Councilmember Alvarez asked what time the meetings were in Phoenix and the other cities. Ms. Krey said she did not have the start times for the meetings. Councilmember Alvarez said she believed the meetings were in the afternoons. She said she disagreed with the putting it at the end of the meeting and had no problem with everyone speaking at the beginning of the meeting.

Ms. Krey said the speaking time limit varies from 3 to 5 minutes in the surveyed cities. She said some actually impose the speaking time limit and some cities use it as a guideline.

Vice Mayor Knaack said her comments at the last meeting were because there were two citizens from Phoenix who spoke at the meeting. She said she believed citizen comments were most important so people could speak about items on the agenda. She said the general citizen comments that are not pertinent to the meeting should be held at the end of the meeting. She believes citizens should have their say. She is in favor of changing the speaking time to 3 minutes and is in favor of moving the comments to the end of the meeting.

Councilmember Alvarez mentioned there were people speaking from Phoenix in the past when the Coyotes issue was open. She said they have to be consistent with allowing speakers.

Vice Mayor Knaack said what she meant by the two people speaking from Phoenix was that they were speaking on an item that was not on the agenda. She agreed there were huge crowds from other cities that spoke, but it was on an item that was on the agenda. She said it is not productive and these speakers have spoken with a negative tone and it is week after week and that is why she feels that way.

Councilmember Alvarez said they are looking backwards to the past because that is what got the city to the place where it is. Councilmember Alvarez said she will not vote for this and will take it to the community.

Discussion was held about whether this was a procedural issue. Mr. Bailey said he was not here when the decision was made, but this was a procedural issue. He said it was his understanding that historically, the Council has voted on this document. Ms. Krey said the document they are referring to is the Council Meeting Rules and Procedures. She said it is not the Council Guidelines. She said that document has been in place since the mid-90s. She said they did not vote on this change due to the 6 month trial period. She would recommend they do vote on it if they are changing the citizen comment time because that would change the heart of the document. She said changing the speaking time would change not only the document itself, but would change the documents provided to the public by the City Clerk's Office at the meetings. Mr. Bailey said it would be appropriate for the Council to vote on this as it is an item that would affect future meetings. He would recommend they do take a vote at a regular meeting.

Vice Mayor Knaack said there was consensus to take this item to a voting meeting.

Mr. Bailey confirmed there were two items, which were leaving the speakers to the end of the meeting and changing the speaking time from 5 minutes to 3 minutes.

Councilmember Sherwood verified they would just be voting on the time limit since the Council Meeting Rules and Procedures currently has the comment at the end of the meeting.

3. COUNCIL GUIDELINES – SELECTION OF VICE MAYOR

PRESENTED BY: Kristen Krey, Council Services Administrator

Pursuant to City Council Guidelines, this is a request for Council to discuss and consider the appointment of a Vice Mayor. Nominations for Vice Mayor will be discussed by Council. If nominations are indicated by Councilmembers at this workshop, a formal nomination and selection process will be placed on the agenda for the next regular Council meeting.

Ms. Krey said nominations for Vice Mayor are discussed in January of each year and will be placed on a voting meeting agenda.

Councilmember Martinez recommended they keep the current Vice Mayor, Councilmember Yvonne Knaack. He said she has done an excellent job and would support her for another term.

Councilmember Alvarez said Councilmember Sherwood has been doing an extra good job and she nominated him.

Councilmember Sherwood said he would like to see the current Vice Mayor stay for another year. He appreciated Councilmember Alvarez's nomination and said he would be around for a while, but would like to Vice Mayor Knaack around for another year.

Councilmember Chavira would like to see Vice Mayor Knaack stay in her current position for another year.

Councilmember Hugh thanked Vice Mayor Knaack for her willingness to continue as Vice Mayor for another year.

There was discussion on Councilmember Alvarez's nomination of Councilmember Sherwood. It was decided that Councilmember Alvarez would withdraw her nomination. Mr. Bailey said there would just be one name on the ballot and the Council could take action at a voting meeting.

2. ANNEXATION POLICY UPDATE

PRESENTED BY: Jon M. Froke, AICP, Planning Director

Staff will provide an update to the Council concerning the city's adopted annexation policy. Staff will also update the Council concerning the Pre-Annexation and Development Agreement (PADA) with the Loop 303 Corridor Group.

- Staff is seeking guidance from Council concerning the possible annexation of properties located in and around State Route 303 (the Loop 303).
- Staff is also seeking guidance from Council concerning potential amendments to the Annexation Policy to recognize current conditions in Glendale.

Mr. Froke provided some history on the city's annexation policy. He said it encompasses the municipal planning area (MPA). He also explained some recent annexations and

explained some of the county island property within the city. He said the area in question today was the Loop 303 and Northern Parkway. He said the city does not provide water and sewer service west of 115th Avenue as viable private utility companies provide service in this area. He provided some recent history for this project. He said the PADA work continues on the vacant land in the Loop 303 corridor. He said EPCOR will now provide water and sewer for much of the Loop 303.

Mr. Froke next discussed pending annexation activity in the Loop 303 corridor. Those included Zanjero Pass, Northern Parkway Investors, Sabre Business Park and Granite Vista. He said the first three are participants in the PADA and have been participants since the beginning. The fourth is not a part of the PADA and staff does not recommend annexation of Granite Vista at this time. He said each department reviews annexation requests as it relates to the ability of providing services. He also said third party economic impact analyses are now submitted with larger annexation requests. He said commercial development generates revenue for municipalities and residential development is important to support that. He said the benefit of annexing residential is the opportunity to increase population. He said construction of the Loop 303 is nearing completion and the initial phase of Northern Parkway opened last year. He said this infrastructure is attractive for new growth investment and that this is the last growth frontier for Glendale. He said staff is seeking guidance on how to proceed on several matters and he provided some options for consideration, which include annexing just the properties in the PADA, focus on annexing just commercial, office and industrial properties and not residential, and allow residential properties to develop under Maricopa County jurisdiction rather than be annexed by Glendale. He also said they are seeking guidance on potential edits to the annexation policy.

Councilmember Sherwood said they should continue as they have been doing and look at them as they come in. He said they should focus on the nonresidential properties. He said Elliott Homes was going to be all residential and not commercial. He also would be in favor of any edits needed. He said the city doesn't have any opportunity for any other lands.

Councilmember Hugh said he agreed that option one was the best way to go.

Councilmember Chavira said he agreed as well and also felt this was the last part of the great development. He said this will change the future of Glendale and moving out west in the PADA is the future of Glendale.

Councilmember Martinez said they should continue as they are and they have the flexibility if they need to change if they need to down the line, but they are okay now the way they are headed.

Vice Mayor Knaack said she also agreed and told Mr. Froke he had his direction.

Councilmember Sherwood asked if they were being proactive with the 303. Mr. Froke said yes, that they are being proactive and they are working very closely with everyone involved

in that project. Councilmember Sherwood asked if they were going to keep the 5 mile stretch as revenue generating. Mr. Froke said that was correct.

1. FY12-13 COMPREHENSIVE ANNUAL FINANCIAL REPORT AND YEAR-END AUDIT UPDATE

PRESENTED BY: Tom Duensing, Executive Director, Financial Services

The purpose of this item is to present Council with the June 30, 2013, Comprehensive Annual Financial Report and provide an overview of the most recently completed annual audit.

Mr. Duensing said this is a continuation of the discussion regarding the year end audit report. He said an audit is regularly done each year and best practices call for new auditors to be brought on so a fresh set of eyes can review the numbers. He hopes to come and present the financial statements each year. Mr. Duensing introduced Dennis Osuch, a partner with Clifton Larson Allen, the new auditor for the fiscal year ending June 30, 2013 the most recently completed fiscal year.

Mr. Osuch discussed what encompasses an audit and the various reports their firm has provided. He discussed the audit and the areas they reviewed to complete the audit. He explained the reporting package and the various documents provided to Council. He said they found financial statements were rendered in a manner generally accepted. He went over the various components of the Comprehensive Annual Financial Report (CAFR), which include a basic financial statement, combining and individual fund financial statements and schedules, a federal data schedule and required supplementary information.

Mr. Osuch next explained the single audit report and report findings. He said they issued two reports, including a report on internal control over financial reporting and a report on compliance. He explained the definitions of deficiency, significant deficiency and material weakness used in audit findings. He specifically went over some of the findings they had in the report, including some material weaknesses. He said they described what the finding was, what the criteria is and they include the recommendations or cause of the matter and what the response or view of management is related to those findings. He pointed out the two findings they called significant deficiencies.

Councilmember Martinez said with respect to the comments those tax revenues that were recorded as a liability then were not recognized as revenue on the financial statements, resulted in an understatement of revenues. He said earlier he heard there was nothing really serious, but asked Mr. Osuch to give them an idea of what they were talking about. Mr. Osuch said the financial statements are broken up into three statements and he explained those three statements and explained the deficiency they found. Councilmember Martinez asked what is significant. Mr. Osuch said they have a materiality level which is about \$6 million and said the adjustment was about \$4.8 million to revenues. Councilmember Martinez said that shouldn't happen again. Mr. Osuch said it appeared to them that the ultimate cause of this was that there was some turnover in the Finance Department and there was a period of time when Finance was short-handed. As a result of

that, the review process probably was not what it should have been. He said that matter had already been addressed and there was the necessary level of oversight now.

Mr. Duensing said it is now his responsibility and he takes it very seriously and they will be proactively addressing each issue.

Mr. Osuch said although the Finance Department was short-staffed for a period of time, there are very qualified people working in the Finance Department and Council and management have done a good job providing oversight and these issues have been addressed. He commended the Finance Department for the work that they did. He said being short-handed and being able to put together the documents in such a short time and on schedule is a testament to the quality of personnel.

Vice Mayor Knaack said this issue is very complicated and said they have been given an assurance that everything is being handled properly from this point forward. She said they can have trust in their reports and audits in the future. She thanked Mr. Duensing for the work he has done since he has been here.

CITY MANAGER'S REPORT

The City Manager had nothing to report.

COUNCIL ITEMS OF SPECIAL INTEREST

Councilmember Alvarez would like to see the Sports Authority make a presentation to Council on Camelback Ranch. She said there are a lot of questions in the community and the answers have been very vague.

Councilmember Martinez wanted to be clear about what is being asked about the Sports Authority. Mr. Bailey said Councilmember Alvarez is seeking representatives of the Arizona Sports and Tourism Authority attend a workshop and present where they are.

ADJOURNMENT

The meeting was adjourned at 2:30 p.m.